



HALF YEARLY REPORT
(UN-AUDITED)
DECEMBER, 2023

FIRST IBL
MODARABA

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Corporate Information

Modaraba Management Company	IBL Modaraba Management (Pvt.) Limited	
Board of Directors	Mr. Arslan Khan Khakwani Mr. Ibrahim Hasan Murad Mr. Salman Ahmad Ms. Faiza Jabeen Mr. Muhammad Ibrahim Qazi	Chairman Director Independent Director Female director Chief Executive
Company Secretary	Mr. Hassan Fareed	
Chief Financial Officer	Mr. Muhammad Ibrahim Butt	
Internal Auditor	Mr. Jahangir Hassan	
Shari'ah Advisor	Dr. Salman Ahmed Khan	
Legal Advisor	M/s. Holscott International [Legal services]	
Bankers	Meezan Bank Limited MCB Islamic Bank Limited The Bank of Punjab – Taqwa	
Auditors to the Modaraba	Crow Hussain Chaudhury Chartered Accountants	
Share Registrar	Corp Tec Associates (Pvt.) Limited 503 E, Johar Town, Lahore. Telephone No. 042-35170335 - 37	
Registered/ Principal Office	Office No.4-L, Main Ferozpur Road, Gulberg3, Lahore. Telephone No. 042-35969435 & 36 www.firstibl.com	

DIRECTOR'S 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 the First IBL Modaraba for the period ended December 31, 2023 along with Directors' Report to its certificate holders.

The economic landscape of Pakistan faced multifaceted challenges, including the specter of high inflation, escalating interest rates, persistent supply constraints, soaring fuel prices, political turbulence, and mounting uncertainties. Despite this formidable backdrop, your Modaraba demonstrated resilience by achieving a noteworthy pre-tax profit of Rs.10.665 million, a substantial improvement compared to the pre-tax profit of Rs. 4.888 million recorded in the preceding period.

Against this backdrop, the management adopted a strategic focus on Micro/Musharakah finance targeting high-quality clientele to bolster revenue streams. This strategic shift resulted in a significant uptick of 50.01% and 125.09% in Ijarah and Musharakah income, respectively.

In navigating the challenges besetting the nation, the management remains steadfast in its commitment to contributing to the economy while delivering optimal financial services to its esteemed clientele.

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 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 management and staff of First IBL Modaraba.

For & on behalf of the Board,



Muhammad Ibrahim Qazi
Chief Executive Officer
May 3, 2024

ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹر آئی بی ایل مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ، جو کہ فرسٹ آئی بی ایل مضاربہ کی مینجمنٹ کمپنی ہے کے 31 دسمبر 2023 کے ششماہی نظر ثانی شدہ غیر آڈٹ معہ ڈائریکٹرز کی رپورٹ کو اس کے سرٹیفیکیٹ ہولڈرز کے لئے پیش کرنے پر فخر محسوس کرتا ہے۔

بلند افراط زر بڑھتی ہوئی سود کی شرح ترسیل پر پابندیوں وقت کی بلند ترین ایندھن کی قیمتیں، سیاسی بے چینی اور بڑھتی ہوئی بے یقینی پاکستان کی معاشی تعبیر پر اثر انداز ہوئے ہیں۔ تمام منافع کو متاثر کرنے والے امور کے باوجود آپ کے مضاربہ نے پچھلے دورانیہ کے 4.888 ملین روپے کے منافع کے مقابلے میں 10.665 ملین روپے کا مجموعی منافع (ٹیکس سے پہلے) حاصل کیا ہے

میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان رجسٹرار مضاربہ سٹیٹ بینک آف پاکستان این بی ایف آئی اور مضاربہ ایسوسی ایشن آف پاکستان کا شکریہ ادا کرنا چاہتا ہوں جنہوں نے ہمیں اپنی غیر معمولی حمایت اور رہنمائی فراہم کی۔ بورڈ اپنے سرٹیفیکیٹ ہولڈرز اور کاروباری پارٹنرز کا نہایت مشکور ہے جنہوں نے ہم پر بھروسہ کیا نیز بورڈ انکو اندرونی نظام پر ذاتی توجہ اور کارپوریٹ گورننس کے تمام شعبوں میں مثالی ماحول کو برقرار رکھنے

کی یقین دہانی کرتا ہے۔

بورڈ فرسٹ آئی بی ایل مضاربہ کی انتظامیہ اور عملہ کی مخلصی اور محنت کو سراہتا ہے۔

منتظم فرسٹ آئی بی ایل مضاربہ

(۸) 

محمد ابراہیم قاضی

چیف ایگزیکٹو آفیسر

3 مئی 2024

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE CERTIFICATE HOLDERS OF FIRST IBL MODARABA
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **First IBL Modaraba** ("the Modaraba") as at December 31, 2023 and the related condensed interim statement of profit and loss, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity, and notes to the financial statements for the six-month period then ended (here-in-after referred to as "the interim financial statements"). The Modaraba Management Company [IBL Modaraba Management (Private) Limited] is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements 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 statements consists of making inquiries, primarily of persons responsible for 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

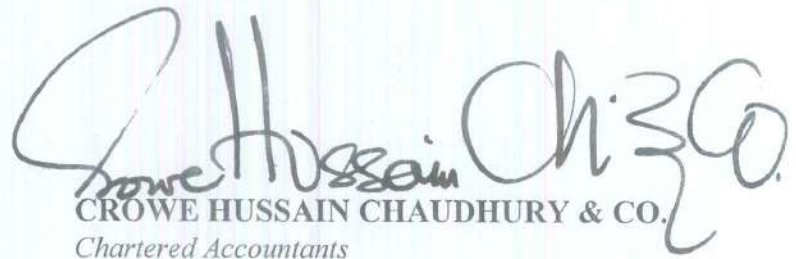
The figures included in the condensed interim statement of profit and loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2023.

The engagement partner on the review resulting in this independent auditor's review report is Amin Ali.

LAHORE

Dated: May 03, 2024

UDIN: RR202310051dxL70SeV1


CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

SHARI'AH ADVISOR'S REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2023

I have conducted the Shari'ah review of First IBL Modaraba(FIBLM) for the half year ended December 31, 2023 in accordance with requirement of the Shari'ah 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 Shari'ah mechanism:

- The transactions of Ijarah were reviewed on random selection basis.
- 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 Shari'ah compliance while offering financing products to the customers.
- Other related documents and procedures followed by different functional areas were found proper.
- During the period onsite training has been given to the staff.
- There is no receipt of charity during the financial year accordingly no amount was credited into charity account.

Conclusion

In this context of detailed Shari'ah review carried by the undersigned for the half year ended December 31, 2023, transactions during the period executed by FIBLM were found satisfactory as required by Shari'ah Audit Mechanism.



Dr. Mufti Salman Ahmad Khan

Shari'ah Advisor

May 3, 2024

FIRST IBL MODARABA
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	Note	December 31, 2023 (Un-audited) Rupees	June 30, 2023 (Audited) Rupees
ASSETS			
Current Assets			
Cash and bank balances		48,404,593	82,104,089
Short term investments	4	1,790,811	1,306,793
Ijarah rentals receivable	5	632,386	224,868
Short term musharaka receivables		73,553,483	13,553,483
Advances, prepayments and other receivables		9,146,472	2,469,641
Advance income tax		2,308,347	1,861,395
Current portion of long term musharaka receivables		32,370,079	29,890,654
Total Current Assets		168,206,171	131,410,923
Non Current Assets			
Long term musharaka receivables		5,684,886	25,548,004
Long term advances and deposits		20,500	20,500
Investment property	6	44,583,508	47,083,522
Fixed assets under ijarah arrangements	7	14,824,909	18,512,742
Fixed assets under own use	8	138,799	238,699
Total Non Current Assets		65,252,602	91,403,467
Total Assets		233,458,773	222,814,390
LIABILITIES			
Current Liabilities			
Creditors, accrued and other liabilities		7,295,006	5,797,293
Musharaka finances		700,000	700,000
Current portion of long term security deposits		2,776,082	4,253,911
Unclaimed dividend		10,834,598	10,834,598
Total Current Liabilities		21,605,686	21,585,802
Non Current Liabilities			
Long term security deposits		3,461,723	2,075,000
Deferred tax liability		-	361,132
Total Non Current Liabilities		3,461,723	2,436,132
Total Liabilities		25,067,409	24,021,934
NET ASSETS		208,391,364	198,792,456
REPRESENTED BY:			
CAPITAL AND RESERVES			
Certificate capital		216,875,000	216,875,000
Statutory reserve		49,249,996	47,395,690
Accumulated loss		(59,397,143)	(66,814,365)
		206,727,853	197,456,325
Unrealized gain on revaluation of investments - Fair value through OCI		1,663,511	1,336,131
		208,391,364	198,792,456
Contingencies and Commitments	9	-	-

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).

For IBL Modaraba Management (Private) Limited
(Modaraba Management Company)


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

FIRST IBL MODARABA
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Note	Half Year Ended December 31,		Quarter Ended December 31,	
		2023	2022	2023	2022
		Rupees	Rupees	Rupees	Rupees
INCOME FROM OPERATIONS					
Income from ijarah		7,845,977	5,230,184	3,819,577	2,626,940
Profit on musharaka investments		10,983,211	4,879,446	5,566,728	2,252,111
		18,829,188	10,109,630	9,386,305	4,879,051
OTHER INCOME					
Other income		4,112	432,167	4,607	10,609
Income from investment property		3,747,720	3,747,720	1,873,860	1,873,860
Profit on deposits		3,072,299	1,743,845	1,474,443	1,252,860
		6,824,131	5,923,732	3,352,910	3,137,329
Reversal of suspension on ijarah income		-	-	-	-
Reversal of suspension on musharka		-	1,134,506	-	361,142
TOTAL INCOME		25,653,319	17,167,868	12,739,215	8,377,522
EXPENSES					
Administrative expenses		(7,958,083)	(7,434,351)	(4,123,794)	(4,227,548)
Depreciation on assets under ijarah		(5,673,861)	(4,177,880)	(2,709,441)	(2,153,576)
Unrealized gain / (loss) on re-measurement of investments		98,865	(847)	98,865	-
		(13,533,079)	(11,613,078)	(6,734,370)	(6,381,124)
Operating Profit		12,120,240	5,554,790	6,004,845	1,996,398
Charge of Modaraba Management Company's fee		(1,212,024)	(555,479)	(598,663)	(314,702)
Worker's Welfare Fund		(242,405)	(111,096)	(119,733)	(62,940)
Profit before Taxation		10,665,811	4,888,215	5,286,449	1,618,756
Taxation:	10				
- Prior period		-	74,005	-	74,005
- Current period		(1,813,188)	(830,997)	(1,619,203)	(125,672)
- Deferred tax		418,905	(96,558)	-	-
Profit for the Period		9,271,528	3,134,665	3,667,246	1,567,089
Earnings per Certificate - Basic and Diluted		0.43	0.14	0.17	0.07

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).

For IBL Modaraba Management (Private) Limited
(Modaraba Management Company)


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

FIRST IBL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half Year Ended December 31,		Quarter Ended December 31,	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Net Profit for the Period	9,271,528	3,134,665	3,667,246	1,567,089
<i>Items that will not be reclassified subsequently to profit and loss account</i>				
Net unrealized gain/(loss) on remeasurement of investments through OCI	327,380	(829,646)	418,986	(657,319)
<i>Items that may be reclassified subsequently to profit and loss account</i>	-	-	-	-
Other comprehensive income/(loss) for the period	327,380	(829,646)	418,986	(657,319)
Total Comprehensive Income for the Period	9,598,908	2,305,019	4,086,232	909,770

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).

For IBL Modaraba Management (Private) Limited
(Modaraba Management Company)

(A) 
CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

FIRST IBL MODARABA


CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half Year Ended December 31,	
	2023	2022
	Rupees	Rupees
Profit before tax	10,665,811	4,888,215
Adjustments for:		
- Depreciation of fixed assets under own use	99,900	156,355
- Depreciation of investment property	2,500,014	2,500,012
- Depreciation of fixed assets under ijarah arrangements	5,673,861	4,177,880
- Revaluation (gain) / loss on investment at fair value through profit or loss	(98,865)	847
- Worker's Welfare Fund	242,405	111,096
- Gain on disposal of fixed assets under own use	-	(143,345)
- Gain on termination of ijarah arrangements	(988)	(255,190)
- Profit on bank deposits	(3,072,299)	(1,743,845)
	5,344,028	4,803,810
Operating profit before working capital changes	16,009,839	9,692,025
<i>(Increase) / decrease in current assets:</i>		
- Advances, prepayments and other receivables	(6,676,831)	109,232
- Ijarah rentals receivable	(407,518)	1,157,536
<i>Decrease in current liabilities:</i>		
- Creditors, accrued and other liabilities	1,255,308	1,477,496
Net Cash (Used in) / Generated from changes in working capital	(5,829,041)	2,744,264
Cash Generated from Operations	10,180,798	12,436,289
Decrease in non-current assets:		
Long term musharaka receivables	17,383,693	20,609,687
<i>(Increase) / decrease in current assets:</i>		
Short term musharakah receivables	(60,000,000)	270,084
<i>(Decrease) / increase in non-current liabilities:</i>		
Long term security deposits - ijarah	(91,106)	125,480
Income taxes paid	(2,260,140)	(967,524)
Profit received on bank deposits	3,072,299	1,743,845
Net Cash (Used in) / Generated from Operating Activities	(31,714,456)	34,217,861
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of assets under own use	-	441,199
Proceeds from disposal of assets on termination / completion of ijarahs	724,360	2,643,450
Purchase of ijarah assets	(2,709,400)	(2,435,700)
Net Cash (Used in) /Generated from Investing Activities	(1,985,040)	648,949
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net (Decrease) / Increase in Cash and Cash Equivalents	(33,699,496)	34,866,810
Cash and cash equivalents at the beginning of the period	82,104,089	13,599,668
Cash and Cash Equivalents at the end of the Period	48,404,593	48,466,478

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).

For IBL Modaraba Management (Private) Limited
(Modaraba Management Company)


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

FIRST IBL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Certificate Capital	Statutory Reserve	Accumulated Loss	Total Equity
Rupees				
Balance as at June 30, 2022	216,875,000	45,394,252	(74,820,117)	187,449,135
Net profit for the period ended December 31, 2022	-	-	3,134,665	3,134,665
Other comprehensive income for the period	-	-	-	-
Total Comprehensive Income for the Period	-	-	3,134,665	3,134,665
Transferred to statutory reserve	-	626,933	(626,933)	-
Balance as at December 31, 2022	216,875,000	46,021,185	(72,312,385)	190,583,800
Balance as at June 30, 2023	216,875,000	47,395,690	(66,814,365)	197,456,325
Net profit for the period	-	-	9,271,528	9,271,528
Other comprehensive income for the period	-	-	-	-
Total Comprehensive Income for the Period	-	-	9,271,528	9,271,528
Transferred to statutory reserve	-	1,854,306	(1,854,306)	-
Balance as at December 31, 2023	216,875,000	49,249,996	(59,397,143)	206,727,853

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).

For IBL Modaraba Management (Private) Limited
(Modaraba Management Company)



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

FIRST IBL MODARABA
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Note 1

Legal Status and Nature of Business

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 4-L, Main Ferozepur Road, Gulberg 3, Lahore. The Modaraba is managed by IBL Modaraba Management (Private) Limited (Modaraba Management Company) incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017) and registered with the Registrar of Modaraba Companies and Modarabas. The Modaraba is domiciled in Pakistan and its certificates are listed on Pakistan Stock Exchange Limited (PSX). The Modaraba 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 Statement of compliance

These condensed interim financial statements (un-audited) have been prepared in accordance with the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and are in compliance with the International Accounting Standard - 34 (Interim Financial Reporting) and being submitted to certificate holders as required under law.

2.2 These condensed interim financial statements (un-audited) should be read in conjunction with annual audited financial statements for the year ended June 30, 2023. Comparative balance sheet is extracted from audited financial statements for the year ended June 30, 2023; 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 statements for the half year ended on December 31, 2022.

2.3 These condensed interim financial statements (un-audited) have been prepared under the historical cost convention, except for investments that are measured at fair value.

2.4 These condensed interim financial statements are unaudited; however, a limited scope review has been performed by the external auditors as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019.

2.5 These condensed interim financial statements (un-audited) should be read in conjunction with annual audited financial statements for the year ended June 30, 2023. Comparative balance sheet is extracted from audited financial statements for the year ended June 30, 2023; 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 statements for the half year ended on December 31, 2022.

2.6 These condensed interim financial statements (un-audited) are presented in Pak Rupees, which is the Modaraba's functional and presentation currency. All the (un-audited) figures have been rounded off to the nearest rupees, unless otherwise stated.

Note 3

Significant Accounting Policies

The Modaraba's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim financial statements (un-audited) are the same as those applied in the preparation of preceding annual published financial statements of the Modaraba for the year ended June 30, 2023.

Note 4

Short Term Investments

		December 31, 2023	June 30, 2023
	Note	(Un-audited) Rupees	(Audited) Rupees
- At fair value through OCI	4.1	1,506,664	1,121,511
- At fair value through profit or loss	4.2	284,147	185,282
		<u>1,790,811</u>	<u>1,306,793</u>

4.1 At fair value through OCI

Holdings are in ordinary shares of Rupees 10 each.

Number of shares		Name of Investee	Market Value	
December 31, 2023	June 30, 2023		December 31, 2023	June 30, 2023
(Un-audited)	(Audited)		(Un-audited) Rupees	(Audited) Rupees
<u>29,267</u>	<u>29,267</u>	The Searle Company Limited	<u>1,506,664</u>	<u>1,121,511</u>

4.2 At fair value through profit or loss

Holdings are in ordinary shares of Rupees 10 each.

Number of shares		Name of Investee	Market Value	
December 31, 2023	June 30, 2023		December 31, 2023	June 30, 2023
(Un-audited)	(Audited)		(Un-audited) Rupees	(Audited) Rupees
339	288	IBL HealthCare Limited	12,279	9,375
250	250	Attock Refinery Limited	81,868	42,907
100,000	100,000	First Punjab Modaraba	190,000	133,000
<u>100,589</u>	<u>100,538</u>		<u>284,147</u>	<u>185,282</u>

Note 5

Ijarah Rentals Receivable

		December 31, 2023	June 30, 2023
	Note	(Un-audited) Rupees	(Audited) Rupees
Considered good	5.1	632,386	224,868
Considered doubtful		<u>3,004,088</u>	<u>3,004,088</u>
		3,636,474	3,228,956
Provision against doubtful ijarah rentals	5.2	<u>(3,004,088)</u>	<u>(3,004,088)</u>
		<u>632,386</u>	<u>224,868</u>

5.1 These represent rentals receivable against assets leased out under ijarah arrangements.

5.2 Movement in provision against doubtful ijarah rentals receivable are as follows:

Opening balance	3,004,088	3,004,088
Charged during the period / year	-	-
Provision written off during the period / year	-	-
	-	-
Closing balance	<u>3,004,088</u>	<u>3,004,088</u>

Note 6

Investment Property

		December 31, 2023	June 30, 2023
	Note	(Un-audited) Rupees	(Audited) Rupees
Cost			
Opening balance		100,000,465	100,000,465
Additions during the period / year		-	-
Closing balance		100,000,465	100,000,465
Accumulated Depreciation			
Opening balance		(52,916,943)	(47,916,915)
Charged during the period / year	6.1	(2,500,014)	(5,000,028)
Closing balance		(55,416,957)	(52,916,943)
		<u>44,583,508</u>	<u>47,083,522</u>

6.1 The Modaraba depreciates its investment property on straight line basis at the rate of 5% per annum.

Note 7

Fixed Assets Under Ijarah Arrangements

		December 31, 2023	June 30, 2023
		(Un-audited) Rupees	(Audited) Rupees
Opening balance		18,512,742	23,753,364
Additions at cost during the period / year		2,709,400	7,539,600
Less: Written down value of assets disposed off		(723,372)	(3,544,253)
		20,498,770	27,748,711
Less: Depreciation charged during the period / year		(5,673,861)	(9,235,969)
		<u>14,824,909</u>	<u>18,512,742</u>

Note 8

Fixed Assets Under Own Use

		December 31, 2023	June 30, 2023
		(Un-audited) Rupees	(Audited) Rupees
Opening balance		238,699	792,809
Additions at cost during the period / year		-	-
Less: Written down value of assets disposed off		-	(297,855)
		238,699	494,954
Less: Depreciation charged during the period / year		(99,900)	(256,255)
		<u>138,799</u>	<u>238,699</u>

Note 9

Contingencies and Commitments

There are no material contingencies and commitments of the Modaraba as at the reporting date (June 30, 2023: Nil).

Note 10

Taxation

10.1 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.

10.2 Deferred taxation is accounted for using the balance sheet liability method providing for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary timing differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated based on the rates that have been enacted or notified for subsequent enactment up to the reporting date and are expected to apply to the period when the difference arises.

Being prudent, the Modaraba has not recognised the deferred tax asset amounting to Rs. 2.315 million.

Balances and Transactions with Related Parties

- 11.1** 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.
- 11.2** Related parties comprise the Management Company, associated undertakings having common directorship, directors and key management personnel of the Management Company and their close family members and entities with common directors or under common management.
- 11.3** Details of transactions with related parties and balances with them as at the period end are as follows:

			December 31, 2023	December 31, 2022
			(Un-audited)	(Un-audited)
			Rupees	Rupees
Transactions during the period				
Related party	Relation	Nature of Transaction		
IBL Modaraba Management (Private) Limited	Management Company	Management fee accrued during the period Management fee paid	1,212,024 1,533,515	555,479 -
University of Management and Technology	Associated Undertaking	Rent of library building during the period	3,747,720	3,747,720
			December 31, 2023	June 30, 2023
			(Un-audited)	(Audited)
Outstanding Balances as at,			-----Rupees-----	
IBL Modaraba Management (Private) Limited		Payable against management fee and others	1,212,024	1,533,515

12.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined the operating segments based on the information that is presented to the Chief Executive Officer (Chief Operating Decision Maker) for allocation of resources and assessments of performance. Based on internal management reporting structure, the Modaraba is organized into following operating segments:

Types of segments	Nature of business
- Ijarah finances	Giving right to the benefit of using an asset for a consideration
- Musharaka finances	Joint enterprise formed for conducting some business
- Investments	Investments made in equity instruments of other companies and other investments

No operating segment has been aggregated to or from the above reportable operating segments.

The Chief Operating Decision Maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. There were no transfers during the period (June 30, 2023: Nil).

12.2 Segment analysis

The segment information for the reportable segments for the period / year is as follows:

	December 31, 2023				December 31, 2022			
	Ijarah Finances	Musharakah Finances	Investment Property	Total	Ijarah Finances	Musharakah Finances	Investment Property	Total
	-----Rupees----- ----- (Un-Audited) -----							
Segment revenues / profits								
Revenues	7,845,977	10,983,211	3,747,720	22,576,908	5,230,184	4,879,446	3,747,720	13,857,350
Reversal of suspension	-	-	-	-	-	1,134,506	-	1,134,506
Gain on termination of ijarahs	988	-	-	988	255,190	-	-	255,190
Depreciation	(5,673,861)	-	(2,500,014)	(8,173,875)	(4,177,880)	-	(2,500,014)	(6,677,894)
Reportable segment profit	2,173,104	10,983,211	1,247,706	14,404,021	1,307,494	6,013,952	1,247,706	8,569,152
	December 31, 2023				June 30, 2023			
	-----Rupees-----				-----Rupees-----			
	----- (Un-Audited) -----				----- (Audited) -----			
Reportable segment assets	15,457,295	111,608,448	44,583,508	171,649,251	18,737,610	68,992,141	47,083,522	134,813,273
Reportable segment liabilities	6,237,805	700,000	-	6,937,805	6,328,911	700,000	-	7,028,911
				-				-
Additions/(deletions) to non-current assets	2,709,400	-	-	2,709,400	7,539,600	(24,812,375)	-	(17,272,775)

Reconciliation of reportable segments revenues, profit or loss, assets and liabilities is as follows:

	December 31, 2023	December 31, 2022
	(Un-Audited)	(Un-Audited)
	----- Rupees -----	
Revenues		
Total revenues for reportable segments	22,577,896	15,247,046
Other revenues:		
Other income	3,124	176,977
Profit on deposits	3,072,299	1,743,845
	<u>3,075,423</u>	<u>1,920,822</u>
Modaraba's revenues	<u>25,653,319</u>	<u>17,167,868</u>
Profit		
Total profit for reportable segments	14,404,021	8,569,152
Other components:		
Profit on deposits	3,072,299	1,743,845
Other income	3,124	176,977
Unrealised loss on investments	98,865	(847)
Administrative expenses	(5,458,069)	(4,934,337)
Charge of Modaraba Management Company's fee	(1,212,024)	(555,479)
Worker's Welfare Fund	(242,405)	(111,096)
	<u>(3,738,210)</u>	<u>(3,680,937)</u>
	<u>10,665,811</u>	<u>4,888,215</u>
	December 31, 2023	June 30, 2023
	(Un-Audited)	(Audited)
	----- Rupees -----	
Assets		
Total assets for reportable segments	171,649,251	134,813,273
Corporate assets unallocated:		
Cash and bank balances	48,404,593	82,104,089
Advances, prepayments and other receivables	9,146,472	2,469,641
Long term advances and deposits	20,500	20,500
Advance Income tax	2,308,347	1,861,395
Short term investments	1,790,811	1,306,793
Fixed assets under own use	138,799	238,699
	<u>61,809,522</u>	<u>88,001,117</u>
Total assets as per the balance sheet	<u>233,458,773</u>	<u>222,814,390</u>
Liabilities		
Total liabilities for reportable segments	6,937,805	7,028,911
Corporate liabilities unallocated:		
Creditors, accrued and other liabilities	7,295,006	5,797,293
Unclaimed dividend	10,834,598	10,834,598
Total liabilities as per the balance sheet	<u>25,067,409</u>	<u>23,660,802</u>

Certain liabilities, assets, other income and other operating charges of the Modaraba cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.

There are no differences between the measurements of the reportable segments' profits or losses, assets and liabilities with the Modaraba's profits or losses, assets and liabilities.

There are no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

There are no asymmetrical allocations to reportable segments.

12.3 Geographical segments

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

Certain liabilities, assets, other income and other operating charges of the Modaraba cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.

There are no differences between the measurements of the reportable segments' profits or losses, assets and liabilities with the Modaraba's profits or losses, assets and liabilities.

There are no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

There are no asymmetrical allocations to reportable segments.

12.3 Geographical segments

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

Note 13

Financial Risk Management

13.1 Financial risk factors

The Modaraba's activities expose it to a variety of financial risks: market risk (including currency risk, fair value risk, profit rate risk and price risk), credit risk and liquidity risk.

These condensed interim financial statements (un-audited), do not include all financial risk management information and disclosures required in the annual financial statements; and should be read in conjunction with the Modaraba's annual financial statements for the year ended June 30, 2023. There have been no changes in any risk management policies since the year end.

13.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table presents the Modaraba's assets and liabilities that are measured at fair value as at December 31, 2023 (Un-audited):

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Assets				
- Investments at fair value through OCI	1,506,664	-	-	1,506,664
- Investments at fair value through profit or loss	284,147	-	-	284,147
	<u>1,790,811</u>	<u>-</u>	<u>-</u>	<u>1,790,811</u>

The following table presents the Modaraba's assets and liabilities that are measured at fair value as at June 30, 2023:

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Assets				
- Investments at fair value through OCI	1,121,511	-	-	1,121,511
- Investments at fair value through profit or loss	185,282	-	-	185,282
	<u>1,306,793</u>	<u>-</u>	<u>-</u>	<u>1,306,793</u>

During the half year ended December 31, 2023, there were no significant changes in the business or economic circumstances that affect the fair value of the Modaraba's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets and there were no changes in valuation techniques during the period.

Note 14

Date of Authorization for Issue





These condensed interim financial statements (un-audited) have been approved by the Board of Directors of IBL Modaraba Management (Private) Limited and authorized for issuance on **May 03, 2024.**

Note 15

General

Comparative figures are re-arranged / re-classified, wherever necessary, to facilitate comparison. No such re-arrangements / re-classifications have been made in these condensed interim financial statements (un-audited).

For IBL Modaraba Management (Private) Limited
(Modaraba Management Company)

			
CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER