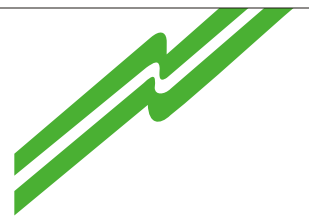




First IBL
Modaraba



Annual Report 2011



www.firstibl.com



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Corporate Information

MODARABA COMPANY	IBL Modaraba Management (Pvt.) Ltd.		
BOARD OF DIRECTORS	Dr. Hasan Sohaib Murad Ale Imran Shaheen Rashid Arslan Khan Khakwani		Chairman & Chief Executive Officer Director Director Director
COMPANY SECRETARY	Noman Ahmed M.Sohail A. Sheikh	Upto From	June 25, 2011 July 13, 2011
CHIEF FINANCIAL OFFICER	Noman Ahmed	Upto	June 25, 2011
AUDIT COMMITTEE	Ale Imran Shaheen Rashid Arslan Khan Khakwani		
BANKERS	Askari Bank Limited Summit Bank Limited Dubai Islamic Bank MCB Bank Limited Faysal Bank Limited Habib Bank Limited Silk Bank Limited The Bank of Punjab		
REGISTRAR	Progressive Management Services (Pvt.) Ltd. 10th Floor, Mehdi Tower, A-115, S.M.C.H.S., Shahrae Faisal, Karachi.	From	November 21, 2011 241-C, Block-2, P.E.C.H.S., Shahrae Quaideen, Karachi.
REGISTERED OFFICE	Office No. 604, 6th Floor, Park Avenue, 24-A Block 6, P.E.C.H.S., Shahrae Faisal, Karachi.	From	August 1, 2011 Suite # 105, 1st Floor, Fortune Center, 45-A, Block # 6, P.E.C.H.S., Shahrae Faisal, Karachi
PRINCIPAL OFFICE	Office No. 14, 1st Floor, Park Lane Tower, 172 Tufail Road, Lahore Cantt.	From	September 15, 2011 43/1 FCC Gulberg III, Lahore.



Directors' Report

The Board of Directors of IBL Modaraba Management (Private) Limited, the Management Company of First IBL Modaraba (FIBLM), has pleasure in presenting to the certificate holders the Annual Report of the Modaraba together with Audited Accounts for the period from July 01, 2010 to June 30, 2011.

Financial Results:

Summarized results for the year under report are as under:-

	(Rs. in "000")	
	June 2011	June 2010
Total Operating Income	37,784	60,204
Profit/(Loss) before Management Fee & taxation	(8,782)	2,313
Management Fee – 10%	-	(231)
Profit/(Loss) before tax	(8,782)	2,082
Provision for Taxation	-	-
Net Profit/(Loss) after tax	(8,782)	2,082

Review of Operations:

During the year 2010-2011 the financial sector has shown some stability. The liquidity crisis and constraint in the mobilization resource have also affected the performance of financial institutions. Besides all these challenges, being small part of financial sector, Modaraba sector is directly affected.

During the period under review, the stock market has also shown decline as current economic situations prevailing in the country. The foreign inflow in the market is not up to the mark. Modaraba has faced financial difficulties in its investment held for shares. Due to decline in confidence level of investors, return on investment is very low.

In spite of all these factors affecting the macro economy, the Modaraba has still booked operating income of Rs. 37.784 million as compared to Rs. 60.204 million in the preceding year ended June 30, 2010. The operating income has been decreased by 37.24% as compared to the previous year.

The major revenue during the year is generated from the Musharakah facilities, which is Rs. 24.04 million. The Modaraba has a diversified portfolio to maintain sustainable growth. During the year under review Modaraba has also booked an income of Rs. 6.72 million from Ijarah facilities.

During the year the Modaraba for compliance of the Prudential Regulations issued by the SECP, had provided the sum of Rs. 14.31 million as impairment against overdue Musharakah payments.

The expenses of the Modaraba reduced from Rs. 57.89 million to Rs. 46.56 million as compared to the previous year.

The Modaraba is also continuously building statutory reserves out of the profit of each year, which accumulated to Rs. 34.31 million but due to loss in current year Modaraba is not in the position to transfer the amount to statutory reserves as required by Prudential Regulations for Modarabas.



Corporate Governance:

The Modaraba has implemented all aspects of Code of Corporate Governance introduced by SECP:

- The financial statements prepared by the Management of Modaraba present fairly its state of affairs, the result of its operations, cash flows, other comprehensive income and changes in the equity;
- Proper books of accounts of Modaraba have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards, as applicable to Modaraba in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- Modaraba will continue as a going concern business;
- There has been no material departure from the best practices and Corporate Governance as detailed in the listing regulations; and
- There has been no trading in company shares by Directors, Chief Executive, Chief Financial Officer, Company Secretary and their spouses and minor children during the year.

Attendance of Board Meetings:

During the year under review, five meetings of the Board of Directors were held which were attended by the directors as under:-

Sr. No.	Name of Director	Number of Meetings	No. of Meeting Attended	Leave of Absence
1	Dr. Hasan Sohaib Murad	5	5	0
2	Mr. Ale Imran	5	5	0
3	Mr. Arslan Khan Khakwani	5	4	1
4	Mr. Shaheen Rashid	5	5	0

Operating Data for six years:

The operating data of the Modaraba for 6 years is annexed to this report.



Pattern of Certificate Holding:

The detailed pattern of certificate holding as on June 30, 2011 is annexed to this report.

There has been no trading in the shares of the Modaraba by any of its Directors, CEO, CFO, Company Secretary or their spouses or minor children.

The Economy and Future Prospects:

Pakistan's economy is facing very disasters in stock exchange, political uncertainty, flood, unfavorable balance of payments, poor management of taxation system and also budget deficit. The recent heavy floods have also caused massive damage to the economy and affected the growth momentum of the country. Also Dengue affected the human resource of economy. In near future such kind of epidemic might be breaking out causing human as well as other resources of the economy. Investors will keep these things in mind while making decisions.

Auditors:

The present auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants are due for retirement and being eligible and have offered themselves for re-appointment. The Board has confirmed their re-appointment for the year ending June 30, 2012 subject to outcome of EOGM held to pass special resolution regarding financial restructuring of Modaraba and also subject to the approval by the Registrar Modaraba.

Acknowledgement:

In the end, Board wishes to thank for the continued support and professional guidance provided by the Securities & Exchange Commission of Pakistan, Registrar of Modaraba Companies and State Bank of Pakistan.

The Board would also like to thank valued customers and investors for reposing trust and confidence in the Modaraba and to members of Management and staff for their commitments and dedications.

On Behalf of the Board

Dr. Hasan Sohaib Murad
Chairman/CEO

December 08, 2011



**FIRST IBL MODARABA
SIX YEAR'S FINANCIAL SUMMARY
BALANCE SHEET SUMMARY**

(Rs in Million)

Year Ended June 30.	2006	2007	2008	2009	2010	2011
EQUITY						
Issued, subscribed & paid up capital	116.88	116.88	116.88	201.88	201.88	201.88
Statutory reserve	30.96	32.58	48.35	31.56	39.14	39.17
Revenue reserve and unappropriated profit	12.34	14.97	6.74	5.62	6.96	(7.87)
Modaraba certificate deposit money	-	-	85	-	-	-
Total equity	160.18	164.43	256.96	239.06	247.98	233.18
LIABILITIES						
Customer security deposit	-	-	3.69	3.8	4.22	9.37
Other deferred liabilities	0.34	0.36	-	-	-	-
CURRENT LIABILITIES						
Short term finance	-	-	-	20.82	20.85	9.50
Short term musharakah	33.00	31.96	-	85.00	86.79	11.44
Unclaimed profit distribution	-	-	2.35	5.12	4.14	7.99
Other current liabilities	11.13	10.50	11.52	16.00	15.91	11.83
Total current liabilities	44.13	42.46	13.87	126.94	127.69	40.76
Total equity & liabilities	204.65	207.25	274.52	369.80	379.88	283.31
NON-CURRENT ASSETS						
Assets leased out	-	-	22.80	19.28	16.88	15.86
Assets in own use	0.80	0.99	4.60	3.70	4.24	2.78
Long term murabahah	-	-	30.00	30.00	30.00	23.00
Long term investment	-	-	-	7.80	17.13	59.55
Other long term assets	-	12.87	1.41	1.20	3.38	3.38
Total non-current assets	0.80	13.86	58.81	61.98	71.63	104.57
CURRENT ASSETS						
Short term musharakah	42.50	146.79	119.96	252.47	227.66	109.13
Ijarah rental receivables	-	-	0.49	1.44	1.51	4.14
Short term investments	33.290	20.35	62.5	27.14	23.31	14.22
Other current assets	4.45	7.57	9.02	24.97	53.45	47.79
Advances, deposits and prepayments	-	-	1.78	0.73	1.26	1.48
Cash & bank balances	123.61	18.68	21.96	1.14	1.06	1.98
Total current assets	203.85	193.39	215.71	307.89	308.25	178.74
Total assets	204.65	207.25	274.52	369.87	379.88	283.31



Income Statement Highlights

(Rs in Million)

year ended june 30.	2006	2007	2008	2009	2010	2011
INCOME						
Ijarah	-	-	6.20	6.44	6.69	6.73
Musharakah & Murabahah	7.00	13.16	16.47	30.2	40.61	27.90
Capital Gain on Investment	6.54	1.66	0.96	(4.80)	4.00	0.10
Dividend	2.03	2.18	-	-	-	-
Investment Income	-	-	1.59	2.00	1.86	0.09
Other	0.10	0.62	0.39	0.20	7.04	2.97
Total Income	15.67	17.62	25.61	34.04	60.20	37.79
EXPENSES						
Operating	5.50	4.69	13.68	19.40	13.15	13.49
Financial	4.41	4.60	2.97	7.78	15.95	11.9
Amortisation, Depreciation	0.27	0.38	4.34	4.21	6.32	6.86
Provision for Doubtful Receivable	-	-	-	-	19.50	14.31
Provision for diminution in value of investment	(0.47)	(1.10)	(0.83)	0.83	2.98	-
Total expenses	9.71	8.57	20.16	32.22	57.90	46.56
Profit /(Loss) before Management Fee	5.96	9.05	5.45	1.82	2.30	(8.78)
Less:- Management Fee	0.60	0.90	0.55	0.18	0.23	-
Profit before Taxation	5.36	8.14	4.91	1.65	2.08	(8.78)
Less:- Taxation	1.89	-	-	-	-	-
Net Profit	3.47	8.14	4.91	1.65	2.08	(8.78)
APPROPRIATIONS						
Final Dividend	8.18	9.35	5.84	-	6.05	-
Interim Dividend	-	-	-	-	-	-
Statutory Reserves	2.17	1.63	0.98	0.33	0.42	-



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed Modaraba is managed in compliance with the best practices of corporate governance.

IBL Modaraba Management (Pvt.) Ltd.(Management Company)is not listed. The Board of Directors of the Modaraba Management Company is responsible for management of affairs of the First IBL Modaraba and pleased to confirm that the code of Corporate Governance is being complied with all material respects.

The First IBL Modaraba has applied principles contained in the Code in the following manner:

1. The Board presently comprises four directors including non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the directors of the Modaraba Management Company are registered as taxpayers and none of them has defaulted in payments of any loan to a banking company, a DFI or an NBFIs, or being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. The Modaraba has prepared a code of conduct encompassing the Modaraba's principles of ethics and business practice, which has been signed by all directors and has been circulated to all the employees of the First IBL Modaraba.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the First IBL Modaraba. A complete record of particulars of significant policies alongwith the dates on which they were approved has been maintained.



7. All the powers of the Board have been duly exercised and decisions on material transactions have been taken by the board including the terms of employment and remuneration package of the Chief Executive Officer and officers of the Modaraba Management Company, have been approved by the Board of Directors of the Management Company.
8. The meetings of the Board were presided over by the Chairman whenever present. The Board met at least once in every quarter to approve the quarterly accounts of the Modaraba. Written notices of the Board meetings including agendas were appropriately circulated before the meeting. The minutes of the meeting were recorded and circulated amongst the directors.
9. The majority of the Directors, being members of professional accountancy bodies, are conversant with their duties and responsibilities under the relevant laws applicable to Modaraba and provisions of Code of Corporate Governance. Nevertheless, an orientation course for all the directors is planned to be conducted shortly to acquaint them with their duties and responsibilities under the relevant laws.
10. The Board approves appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the First IBL Modaraba were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the certificate of the Modaraba other than that disclosed in the pattern of certificate holding.
14. The First IBL Modaraba has complied with the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It presently comprises of three members, majority of whom are non-executive directors including the Chairman of the committee.
16. The meeting of the audit committee was held at least once every quarter prior to approval of interim and final results of the Modaraba as required by the Code.



17. The Board has set-up an effective internal audit function. The Staff is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Modaraba and is involved in the internal audit function on a full time basis.
18. The related party transactions have been placed before the audit committee and approved by the board of directors with justification for non-arm's length transaction and pricing methods for transactions that were made on terms equivalent to those that prevail in arm's transactions only if such terms can be substantiated.
19. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold certificate of the First IBL Modaraba and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed (IFAC) guidelines in this regard.
21. We confirm that all other material principles contained in the Code have been complied with.

On Behalf of the Board

Dr. Hasan Sohaib Murad
Chairman/CEO

December 08, 2011



REVIEW REPORT TO THE CERTIFICATE HOLDERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of IBL Modaraba Management (Private) Limited (the Management Company) in respect of First IBL Modaraba (the Modaraba), to comply with the Listing Regulations of respective Stock Exchanges, where the Modaraba is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the code of corporate Governance and report if it does not. A review is limited primarily to the inquiries of the Management Company personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and effectiveness of such internal controls, the Modaraba's corporate governance procedures and risks.

Further the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges require the Modaraba to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternative pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee of the Management Company. We are only required and have ensured the compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee of the Management Company. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the statement of compliance does not appropriately reflect the Modaraba's compliance in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to modaraba for the year ended June 30, 2011.

Rahman Sarfaraz Rahim Iqbal Rafiq,
CHARTERED ACCOUNTANTS
LAHORE
December 08, 2011



AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of First IBL Modaraba as at 30 June 2011 and the related profit and loss account, statement of other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained, subject to our observations below, all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

These financial statements are the modaraba company's (IBL Modaraba Management (Private) Limited) responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification we report that –

- I a) “Short terms Investments”, as shown in note 4 include shares of book value of Rs. 1.226 which have not been confirmed through CDC holding report at the year end. These shares are stated to be not to be in the name of Modaraba and we have not been shown any other document as an evidence from which ownership of Modaraba of the said shares could be confirmed. Hence short term investments amounting to Rs. 1.226 million out of total short term investments of Rs.14.226 million remained unverified.
- b) “Musharaka receivables” as shown by note 5 include principal and profit amounts to Rs. 28.623 million and Rs.21.243 million that are required to be provided this year under Part III, Paragraph 5 (1A) of Prudential Regulations applicable to Modaraba. Whereas the management made provision against doubtful musharaka principal receivables and against doubtful profit receivables of Rs.14.311 million and Rs. 11.791 million respectively as explained in the said note. We have also neither been shown documentation/confirmation for the receivable balances of Rs.12.690 million disclosed under the head “Others” under “Advances, deposits, prepayments and other receivables” as shown by note 6 nor any documents/records was made available to verify such balances by other alternative procedures.

Had the management made the required provisions then the amount of assets would have been reduced by aforesaid amounts and consequently loss before tax for the year would have increased by the same amount.



- c) “Investment in subsidiary” as shown by note 10 is stated to be made up of investment of the face value of Rs.8.00 million representing 80% equity of Alka Power (Pvt) Ltd at a cost of Rs.6.4 million and advance amounting to Rs.53.1 million. The advance amount exceeds the exposure limit by Rs.3.6 million as required by Para 1 of Part II (A) of Prudential Regulations. The latest audited financial statements of the subsidiary and/ or other documentation by the subsidiary could not be made available to the auditors and therefore verification of the amount of advance and impairment testing could not be performed.
- II Except for the financial impact of the matters and departures from Prudential Regulations as described in paragraph ‘I’ above.
- (a) in our opinion, proper books of accounts have been kept by the Modaraba Company in respect of First IBL modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- (b) in our opinion:
- (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of accounts and are further in agreement with accounting policies consistently applied
- (ii) the expenditure incurred during the year was for the purpose of the modaraba’s business; and
- (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the modaraba;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the modaraba company’s affairs as at 30 June 2011 and of the loss, its other comprehensive income, its cash flows and changes in equity for the year then ended; and
- III in our opinion Zakat deductible at source of Rs 44,279/- under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was not deducted by the modaraba company and not deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Engagement Partner: A. Rahman Mir

LAHORE:

December 08, 2011



**FIRST IBL MODARABA
BALANCE SHEET
AS AT JUNE 30, 2011**

ASSETS	Note	2011 Rupees	2010 Rupees
Current Assets			
Ijarah rentals receivable	3	4,141,167	1,513,948
Short term investments	4	14,220,319	23,308,337
Current portion of murabaha finance	11	-	30,000,000
Musharaka receivables	5	109,132,184	227,655,959
Advances, deposits, prepayments and other receivables	6	49,268,014	54,713,730
Cash & bank balances	7	1,976,049	1,057,514
Total current assets		178,737,733	338,249,487
Non-current assets			
Assets in own use	8	2,777,632	4,247,808
Assets subject to Ijarah	9	15,857,221	16,875,108
Long term deposits		3,379,960	3,379,960
Investment in subsidiary	10	59,552,222	17,130,321
Long term murabaha finance	11	23,000,000	-
Total non-current assets		104,567,035	41,633,197
TOTAL ASSETS		283,304,768	379,882,684
LIABILITIES & EQUITY			
Current liabilities			
Musharaka finance	12	11,442,348	86,786,302
Short term finance	13	9,499,914	20,848,123
Accrued and other liabilities	14	11,612,551	15,379,549
Current portion of security deposit	15	220,000	295,000
Due to management company		-	231,339
Unclaimed profit distribution		7,987,915	4,140,291
Total current liabilities		40,762,728	127,680,604
Non-current liabilities			
Long term security deposits	15	9,368,392	4,219,293
TOTAL LIABILITIES		50,131,120	131,899,897
CAPITAL & RESERVES			
Authorised certificate capital			
50,000,000 (2010: 50,000,000) certificates of Rs. 10 each	16	500,000,000	500,000,000
Certificate capital			
Issued, subscribed and paid-up certificate capital			
18,500,000 (2010:18,500,000) certificates of Rs.10 each issued as fully paid in cash		185,000,000	185,000,000
1,687,500 (2010:1,687,500) certificates of Rs.10 each issued as fully paid bonus		16,875,000	16,875,000
	16	201,875,000	201,875,000
Reserves	17	39,172,026	39,142,423
Unappropriated profit/(loss)		(7,873,378)	6,965,364
		233,173,648	247,982,787
TOTAL EQUITY & LIABILITIES		283,304,768	379,882,684
Contingencies and Commitments	18		

The annexed notes 1 to 36 form an integral part of these financial statements.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



**FIRST IBL MODARABA
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2011**

	Note	2011 Rupees	2010 Rupees
INCOME			
Profit on musharaka financing	19	24,047,426	37,457,614
Income from Ijarah financing		6,729,639	6,689,805
Profit on murabaha financing		3,847,764	3,150,000
Return on investments	20	193,863	5,864,214
Other income	21	2,965,495	7,043,017
		37,784,187	60,204,650
EXPENSES			
Administrative and general expenses	22	15,157,847	14,687,462
Amortization on assets subject to Ijarah		5,191,463	4,778,318
Impairment loss on available-for-sale Investments	27	-	2,874,000
Unrealised loss on re-measurement of investments 'at fair value through profit or loss'		3,329	105,927
Provision against non-performing Musharaka facilities	5.2	14,311,552	19,500,000
Finance cost	23	11,902,494	15,945,553
		46,566,685	57,891,260
Operating Profit/(Loss)		(8,782,498)	2,313,390
Management fee	24	-	(231,339)
Profit/(loss) before taxation		(8,782,498)	2,082,051
Taxation	25	-	-
Profit/(loss) after taxation		(8,782,498)	2,082,051
Earnings/(loss) per certificate basic/diluted	26	(0.44)	0.10

The annexed notes 1 to 36 form an integral part of these financial statements.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



**FIRST IBL MODARABA
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2011**

	2011	2010
	Rupees	Rupees
Profit/(Loss) for the year	(8,782,498)	2,082,051
Other comprehensive income:		
Net unrealised gain on available-for-sale investments	29,603	3,962,055
Total comprehensive income for the year	<u><u>(8,752,895)</u></u>	<u><u>6,044,106</u></u>

The annexed notes 1 to 36 form an integral part of these financial statements.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



**FIRST IBL MODARABA
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2011**

	2011 Rupees	2010 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(8,782,498)	2,082,051
Adjustment for non-cash and other items:		
Depreciation on fixed assets in own use	1,670,176	1,537,065
Depreciation on Ijarah assets	5,191,463	4,778,318
(Gain) /loss on sale of assets under ijarah arrangements	(69,063)	-
Finance cost	11,902,494	15,945,553
Provision in respect of musharaka facilities	14,311,552	19,500,000
Provision in respect of profit on musharaka facilities	11,791,452	-
(Gain) / loss on sale of investment	(100,563)	(3,999,655)
Revaluation (gain)/loss on investment at fair value through profit or loss	3,329	-
Impairment on available for sale investments	-	105,927
Loss on trading activity	-	2,874,000
Dividend income	-	943,214
	(93,300)	(1,864,559)
	<u>44,607,540</u>	<u>39,819,863</u>
	35,825,042	41,901,914
(Increase)/decrease in current assets		
Ijarah rentals receivable	(2,627,219)	(72,328)
Short term investments	-	(23,659,375)
Murabaha receivable	30,000,000	-
Musharaka receivable	104,212,223	24,815,997
Advance, deposits, prepayments and other receivables	(6,274,911)	(28,836,018)
	<u>125,310,093</u>	<u>(27,751,724)</u>
Increase/(decrease) in current liabilities		
Musharaka arrangement	(75,343,954)	1,786,302
Short term finance	(11,348,209)	-
Accrued and other liabilities	3,011,398	104,098
Customers' security deposits received	5,149,099	1,127,410
Current portion of security deposit	(75,000)	-
Due to management company	(231,339)	(521,288)
	<u>(78,838,005)</u>	<u>2,496,522</u>
Cash flow from operating activities	82,297,130	16,646,712
Finance cost paid	(18,680,479)	(12,663,128)
Taxes paid	(70,825)	(179,532)
Net cash generated from / (used in) operating activities	<u>63,545,826</u>	<u>3,804,052</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of assets for ijarah arrangements	(5,412,328)	(2,891,800)
Purchase of fixed assets for own use	(200,000)	(2,085,250)
Purchase of short term investment	(10,000,000)	(1,474,188)
Proceeds from sale of short term investments	19,214,443	13,149,783
Long term deposits	-	(2,149,301)
Investments in subsidiary	(42,421,901)	(9,321,399)
Long term Murabaha Finance	(23,000,000)	-
Proceeds from sale of assets subject to Ijarah	1,307,815	-
Dividend received	93,300	1,864,559
Net cash generated from / (used in) investing activities	<u>(60,418,671)</u>	<u>(2,907,596)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Profit paid to certificate holders	(2,208,620)	(982,809)
Net cash generated from / (used in) financing activities	<u>(2,208,620)</u>	<u>(982,809)</u>
Net (decrease)/ increase in cash and cash equivalents	918,535	(86,352)
Cash and bank balances at the beginning of the year	1,057,514	1,143,866
Cash and bank balances at end of the year	<u>1,976,049</u>	<u>1,057,514</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



**FIRST IBL MODARABA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2011**

	Reserves					Total
	Certificate capital	Statutory reserve	Unrealized (loss)/gain on revaluation of available for sale investments	Sub Total	Unappropriated profit/(loss)	
	-----Rupees-----					
Balance as at June 30, 2009	201,875,000	33,897,099	(2,007,141)	31,889,958	5,299,723	239,064,681
Total comprehensive income for the year	-	-	3,962,055	3,962,055	2,082,051	6,044,106
Impairment loss transferred to profit and loss account (Refer Note 27)	-	-	2,874,000	2,874,000	-	2,874,000
Transfer to statutory reserve at 20%	-	416,410	-	416,410	(416,410)	-
Balance as at June 30, 2010	201,875,000	34,313,509	4,828,914	39,142,423	6,965,364	247,982,787
Profit distribution for the year ended 30 June 2010 @ 3%	-	-	-	-	(6,056,244)	(6,056,244)
Total comprehensive income for the year	-	-	29,603	29,603	(8,782,498)	(8,752,895)
Balance as at June 30, 2011	201,875,000	34,313,509	4,858,517	39,172,026	(7,873,378)	233,173,648

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



**FIRST IBL MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

1 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 there under, having its registered office at 6th Floor, Suite # 604, Park Avenue, 24-A, Block-6, PECHS, Shahrah-e-Faisal, Karachi. The Modaraba is managed by IBL Modaraba Management (Private) Limited, incorporated in Pakistan under the Companies Ordinance, 1984 and registered with Registrar of Modaraba Companies. The Modaraba is listed on Karachi, Lahore and Islamabad stock exchanges. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by SECP differ with the requirements of IFRS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP shall prevail.

The Securities and Exchange Commission of Pakistan vide Circular No. 10 of 2004 dated February 13, 2004 has deferred, till further orders, the applicability of the IAS 17 "Leases" with effect from July 01, 2003. Accordingly, this IAS has not been considered for the purpose of preparation of these financial statements.

2.1.2 Accounting Convention

These financial statements have been prepared under the historical cost convention except that investments classified as financial assets 'at fair value through profit or loss' and 'available for sale' have been marked to market. The financial statements, except for cash flow information, have been prepared under accrual basis of accounting.

2.1.3 NEW AND REVISED APPROVED ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS THERETO

Standards and interpretations that become effective but not relevant to the modaraba:

The following standards (revised or amended) and interpretation became effective for the current financial year but are either not relevant or do not have any material effect on the financial statements of the modaraba.

- IFRS 2-Share based payment
- IFRS 3-Business combinations
- IFRS 5-Non current assets held for sale and discontinued operations
- IFRS 8-Operating segments
- IAS -1 Presentation of financial statements
- IAS -7 Statement of cash flows
- IAS -17 Leases
- IAS -27 Consolidated and separate financial statements
- IAS -32 Financial Instruments: Presentation
- IAS -36 Impairment of assets
- IAS -39 Financial Instruments: Recognition and measurement
- IFRIC-19-Extinguishing Financial Liabilities with Equity Instruments

Forthcoming requirements not effective in current year and not considered relevant

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the modaraba's operations or are not expected to have significant impact on the modaraba's financial statements other than increased disclosures in certain cases:

- IFRS 7 - Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 July 2011).
- IFRS 9 Financial Instruments- Classification and Measurement (applicable for annual period beginning on or after 1 January 2013).



- IFRS 10 - Consolidated Financial Statements - (applicable for annual periods beginning on or after 1 January 2013).
- IFRS 11 - Joint Arrangements - (applicable for annual periods beginning on or after 1 January 2013).
- IFRS 12 - Disclosure of Interests in Other Entities - (applicable for annual periods beginning on or after 1 January 2013).
- IFRS 13 - Fair Value Measurement - (applicable for annual periods beginning on or after 1 January 2013).
- IAS 1- Presentation of financial statements (effective for annual periods beginning on or after 1 July 2012).
- IAS 12- Income Taxes (effective for annual periods beginning on or after 1 January 2012).
- IAS 19- Employee Benefits (effective for annual periods beginning on or after 1 January 2013).
- IAS 24 Related Party Disclosures-Revised definition of related parties (effective for annual periods beginning on or after 1 January 2011).
- IAS 27 Consolidated and separate financial statements (effective for annual periods beginning on or after 1 January 2013).
- IAS 28 - Investments in Associates (effective for annual periods beginning on or after 1 January 2013).
- IAS 34- Interim financial Reporting (effective for annual periods beginning on or after 1 January 2011).
- IFRIC 13- Customer Loyalty Programmes (effective for annual periods beginning on or after 1 January 2011).
- IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction- (effective for annual periods beginning on or after 1 January 2011).

2.2 Islamic Financial Accounting Standard - 1

The Securities and Exchange Commission of Pakistan (SECP) notified the Islamic Financial Accounting Standard 1 (IFAS-1) issued by the Institute of Chartered Accountants of Pakistan relating to accounting for Murabaha transaction undertaken by a bank / financial institution, effective for financial periods beginning on or after January 1, 2006. In the previous year, the Modaraba has adopted IFAS-1 after obtaining certain clarifications from the Shariah advisor of the Modaraba Association of Pakistan.

2.3 Islamic Financial Accounting Standard - 2

During the year ended June 30, 2008, Islamic Financial Accounting Standard 2 'Ijarah' (IFAS 2) issued by the Institute of Chartered Accountants of Pakistan which was notified by the SECP vide an SRO 431(1)/2007 dated May 22, 2007 was adopted. However SECP, vide its letter No.SC/M/RW/SCM/2009 dated March 9, 2009, allowed that in case of Modarabas, IFAS-2 shall be applied for Ijarah transactions executed on or after July 1, 2008. Under IFAS 2, the 'Ijarah' transactions are accounted for in the following manner:

- Muj'ir (lessors) shall present the assets subject to Ijarah in their balance sheet according to the nature of the asset, distinguished from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income shall be recognized as an expense.
- Ijarah income shall be recognized in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

Consequently, in preparation of these financial statements the Modaraba has accounted for Ijarah transactions executed before July 01, 2008 as operating leases consistent with prior years and has treated the leasing transactions executed on or after July 01, 2008 in accordance with the requirements of IFAS 2.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Modaraba's financial statements or where judgment was exercised in the application of accounting policies are as follows:

- i) Determination and measurement of useful life and residual value of fixed assets. (note 2.7).
- ii) Provision against doubtful receivables based on time based criteria in terms of prudential regulations for modaraba. Musharaka, Murabaha and Ijarah finances, and related other receivables are tested for impairment taking into account the borrowers' payment/credit history and adequacy of security.



2.5 Financial instruments

2.5.1 Classification

a) At fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss' category. The financial assets classified as at fair value through profit or loss include investments in listed equity securities.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The financial assets included in loans and receivables classification are cash and bank balances, Musharaka receivables, Ijarah rentals receivable, Murabaha finance, Investment in subsidiary and Advances, deposits and other receivables.

c) Available for sale financial assets

Financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices, are classified as 'available for sale'. Available for sale financial instruments are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held to maturity and financial assets at fair value through profit or loss.

d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity and where the Modaraba has positive intent and ability to hold financial assets to maturity are classified as financial assets held to maturity.

2.5.2 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the profit and loss account.

2.5.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) Financial asset at fair value through profit or loss, available for sale and held to maturity

The investment in listed securities are valued at market rate using the closing market rates and are carried in the balance sheet at fair value.

Gains and losses arising from the difference between the carrying amount and the value determined in accordance with the criteria mentioned above in respect of "financial assets at fair value through profit or loss" are taken to the profit and loss account.

Net gains and losses arising from the excess of value determined in accordance with the above mentioned criteria over the carrying amount in respect of "available for sale financial assets" are taken to equity until the available for sale investment is derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in equity is transferred to the profit and loss account.

Investments categorised as held to maturity are subsequently carried at amortized cost using the effective interest rate method, less any impairment losses. The resultant change in values is reported directly in the profit and loss account.

b) Loans and receivables

Loans and receivables financial assets are carried at amortised cost less the amount of provision made against doubtful amounts and profit kept in suspense account in accordance with the requirements of prudential regulations for modaraba.

2.5.4 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Modaraba commits to purchase or sell the asset.



2.5.5 Impairment

The management assesses at each balance sheet date whether there is objective evidence that the financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is reclassified from equity to profit and loss account. Impairment losses recognised on equity instruments are not reversed through profit and loss account. For loans and receivables, a provision for impairment is established when there is objective evidence that the Modaraba will not be able to collect all amounts due according to the original terms. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Impairment loss/provisions against Ijarah, Musharaka and Murabaha arrangements is recognised in accordance with the requirements of the Prudential Regulations.

2.5.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred and the Modaraba has transferred substantially all risks and rewards of ownership.

2.5.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

2.5.8 Financial liabilities

All financial liabilities are recognised at the time when the Modaraba becomes a party to the contractual provisions of the instrument. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Financial liabilities include musharaka finance, Short term finance, due to management company, creditors, accrued and other liabilities and unclaimed profit distribution. These are initially recognised at fair value and subsequently stated at amortised cost.

2.6 Ijarah rentals, murabaha finance and musharaka finance

Lease rentals, murabaha finance and musharaka finance receivables are stated net of provisions and suspense income, Provision is recognised in accordance with Prudential Regulations for Modaraba. Bad debts are written off as and when identified.

2.7 Tangible fixed assets

2.7.1 Owned assets

Assets are stated at cost less accumulated depreciation less accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation is charged to income applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life. Depreciation is charged on additions from the month the asset is available for use and on disposals up to the month preceding the month of disposal.

Repairs and maintenance are charged to income as and when incurred.

2.7.2 Assets given to customers under ijarah arrangements

Assets leased out under Ijarah on or after July 1, 2008 are recorded as Ijarah assets and are stated at cost less accumulated depreciation/amortization and accumulated impairment losses. Depreciation/amortization is charged to income applying the straight line method whereby the cost of an asset less salvage value is written off over the lease period, which is considered to be the estimated useful life of the asset.

2.7.3 Gain or loss on disposal

Gains / losses on disposal of fixed assets/ Ijarah assets are credited/charged to the profit and loss account currently.



2.7.4 Impairment

The carrying values of non financial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

2.8 Loans, advances and other receivables

These are stated at cost less estimates made for doubtful receivables based on a review of all outstanding amounts at the balance sheet date. Balances considered bad and irrecoverable are written off when identified.

2.9 Taxation

Current

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account applicable tax credits, rebates and exemption available, if any. The income of Modarabas from non trading activities is exempt from tax provided that not less than 90% of their total profits are distributed to the certificate-holders. The Modaraba has decided to continue availing the tax exemption and hence no provision has been made in these financial statements for tax liability in the current year.

Deferred

The Modaraba accounts for deferred taxation using the liability method arising between the amounts attributed to assets and liabilities for financial reporting purposes and financial statements used for taxation purposes. However, deferred tax liability/asset has not been accounted for in these financial statements as the management believes that the timing differences will not reverse in the foreseeable future due to the fact that the Modaraba intends to continue to distribute at least 90% of its profit in future years due to which no tax would be payable.

2.10 Creditors, accrued and other liabilities

These are carried at cost being fair value of the consideration to be paid in the future for goods and services.

2.11 Provisions

Provisions are recorded when the Modaraba has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

2.12 Staff retirement benefits

2.12.1 Staff provident scheme - Defined contribution plan

The Modaraba operates an unfunded contributory provident fund scheme for employees eligible under the scheme. Equal monthly contributions are made both by the Modaraba and the employees at 10% of the basic salary.

2.12.2 Staff gratuity fund - Defined benefit plan

The Modaraba operates an unfunded scheme for its employees. Gratuity is payable on retirement / resignation after the qualifying period of ten years with modaraba. Gratuity is payable at the rate of three fourth of one month gross salary for each completed years of service or part thereof exceeding ten years.

2.13 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and balances with banks on current and deposit accounts.

2.14 Proposed profit distribution to certificate holder

Profit distribution to certificate holders is recognised as a liability in the period in which such distributions are approved by the Board of Directors of the management company.

2.15 Revenue recognition

Revenue is recognized on the following basis:

- Profit on finances under musharaka arrangements is recognized on accrual basis and additional profit, if any, is recognized on declaration by the investee company in accordance with the terms of issue.
- Profit on finances under murabaha arrangements is recognized on accrual basis and additional profit, if any, is recognized on declaration by the investee company in accordance with the terms of issue.
- Ijarah rentals are recognised as income on accrual basis, as and when rentals become due.
- Dividend income is recognized when the right to receive dividend is established.
- Return on deposits with bank is recognized on accrual basis.
- Other income is recognised on accrual basis.



2.16 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Modaraba operates. The financial statements are presented in Pakistani Rupees, which is the Modaraba's functional and presentation currency.

2.17 Segment reporting

As per IFRS 8, operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive Officer is responsible for the Modaraba's entire product portfolio and considers the business to have a single operating segment. The Modaraba's asset allocation decisions are based on a single integrated investment strategy and the Modaraba's performance is evaluated on an overall basis.

2.18 Investment in subsidiary

Investment in subsidiary is initially valued at cost. At subsequent reporting dates, the Modaraba reviews the carrying amount of investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

2.19 Earnings per certificate

Earnings per certificate is calculated by dividing the profit attributable to certificate-holders by the weighted average number of certificates outstanding during the year.

	Note	2011	2010
		----- (Rupees) -----	
3 IJARAH RENTALS RECEIVABLE - SECURED			
Considered good		4,141,167	1,513,948
Considered doubtful		<u>1,050,720</u>	<u>1,050,720</u>
		5,191,887	2,564,668
Accumulated Impairment	3.1	(1,050,720)	(1,050,720)
		<u>4,141,167</u>	<u>1,513,948</u>

These represent rentals receivable against assets leased out under Ijarah contracts. The Modaraba has provided facility to its associate undertaking, as detailed in note 32, which is prohibited by the prudential regulations Part II Para 7(3).

3.1 Movement in accumulated impairment is as follows:

As at beginning of the year	1,050,720	1,050,720
Recognized during the year	-	-
Reversed during the year	-	-
As at end of the year	<u>1,050,720</u>	<u>1,050,720</u>

During the year provision amounting to Rs.398,028/- against over due ijarah rentals as required by Part III Para 5 (1 B) of Prudential Regulations has not been made.

4 SHORT TERM INVESTMENTS

Investments in listed equity securities classified as:

Available for sale	4.1	4,096,056	21,852,811
At fair value through profit & loss	4.2	124,263	1,455,526
Investments in Term Deposit Receipts- Held to Maturity	4.3	10,000,000	-
		<u>14,220,319</u>	<u>23,308,337</u>



4.1 Available for sale

2011	2010	Name of entity	Note	2011	2010
No. of shares/ Certificates				------(Rupees)-----	
Holdings are in ordinary certificates / shares of Rupees 10 each.					
26,003	234,003	Searle Pakistan Ltd		1,413,263	13,806,177
108,239	108,239	United Distributors Pakistan Ltd		1,473,133	1,623,585
-	10,300	Jahangir Siddiqui & Co. Ltd.		-	130,192
-	16,000	Pakistan State Oil		-	4,163,200
392,500	407,500	Lafarge Pakistan Cement Ltd.		1,059,750	1,116,550
-	30,000	NIB Bank Ltd		-	89,700
-	25,000	Nimir Industrial Chemicals		-	39,750
-	22,000	Sitara Peroxide		-	195,360
5,700	5,700	Arif Habib Corporation Ltd.		149,910	189,297
-	50,000	Byco Petroleum		-	499,000
<u>532,442</u>	<u>908,742</u>		4.1.1	<u>4,096,056</u>	<u>21,852,811</u>

4.1.1 It includes shares of Rs.2,871,015 (2010: Rs.15,689,844/-) pledged as collateral for musharaka finance liability. It also includes shares of Rs.1,225,041/- not in the name of the Modaraba.

4.2 At fair value through profit or loss

2011	2010	Name of entity	2011	2010
No. of shares/ Certificates			------(Rupees)-----	
Holdings are in ordinary certificates / shares of Rupees 10 each.				
2,241	2,241	Invest capital investment Bank	717	1,905
-	770	Saif Textile Mills Ltd	-	1,902
200	1,200	Attock Refinery Ltd	24,546	96,672
-	3,000	Nishat Mills Ltd	-	129,360
100,000	100,000	First Punjab Modaraba	99,000	111,000
-	1,001	Sui Northern Gas Ltd	-	15,926
-	500	Pakistan Oil Fields Ltd	-	107,950
-	2,000	Jahangir Siddiqui & Co. Ltd	-	25,280
-	700	Engro Corporation	-	121,506
-	5,000	TRG Pakistan Ltd	-	20,550
-	80,000	World Call Telecommunication Ltd	-	232,800
-	600	Pakistan Petroleum Ltd	-	110,472
-	10,000	Lotte Pak PTA Ltd	-	80,600
-	2,500	D.G.Khan Cement Ltd	-	59,050
-	1,000	Azgard Nine Ltd	-	11,160
-	1,000	Arif Habib Corporation Ltd	-	33,210
-	1,500	Dost Steel Ltd	-	3,870
-	20,000	Pace Ltd	-	71,400
-	4,000	Honda Atlas Cars Ltd	-	52,120
-	5,000	Dewan Cement Ltd	-	8,600
-	3,500	Fauji Fertilizer Bin Qasim Ltd	-	91,140
-	2,750	Crescent Steel & Allied Products Ltd.	-	69,053
<u>102,441</u>	<u>248,262</u>		<u>124,263</u>	<u>1,455,526</u>

4.2.1 It includes shares of Rs.724/- not in the name of the Modaraba.

4.3 This represents investment in term deposit receipts of Habib Bank Limited having profit rate of 11.25% p.a and maturity period of one year.



	Note	2011	2010
		------(Rupees)-----	
5 MUSHARAKA RECEIVABLES - SECURED			
Considered good	5.1	109,132,184	227,655,959
Considered doubtful		<u>33,811,552</u>	<u>19,500,000</u>
		142,943,736	247,155,959
Accumulated Impairment	5.2	<u>(33,811,552)</u>	<u>(19,500,000)</u>
		<u>109,132,184</u>	<u>227,655,959</u>

5.1 This represents musharaka finance provided to customers for business activities for a maximum period of twelve months. The provisional rate of profit on these finances ranges from 10% to 29% (2010: 12% to 20%) per annum and secured by way of hypothecation of goods and book debts.

5.2 This represents provision made against over due principal amount of musharaka investment on time based criteria in terms of the requirement of the Prudential Regulations applicable to Modaraba. The profit accrued of Rs.20,848,116/- (2010: Rs.9,056,664/-) is held in suspense account (Refer note 6). The management expects effective recovery in the following year and therefore has under provided provision against principal by Rs.14.312 million and profit by Rs.9.452 million.

Movement in accumulated impairment is as follows:

As at beginning of the year	19,500,000	-
Recognized during the year	14,311,552	19,500,000
Reversed during the year	-	-
As at end of the year	<u>33,811,552</u>	<u>19,500,000</u>

5.3 The Modaraba has provided facility to its associate undertakings, major certificate holders and those engaged in speculative transactions, as detailed in note 32, which is prohibited by the prudential regulations Part II Para 7(3). These customers have been regular in payment of profits on due date and the outstanding principal is expected to be realised by the modaraba on respective maturity dates.

6 ADVANCES, DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES

Advance income tax	581,569	510,744	
Advance to employees against salary	843,120	622,627	
Prepayments	47,207	129,135	
	1,471,896	1,262,506	
Accrued profit:			
Profit receivable on musharaka finance	35,442,156	42,923,473	
Less: Profit held in suspense account	<u>(20,848,116)</u>	<u>(9,056,664)</u>	
	14,594,040	33,866,809	
Other receivables:			
Receivable from modaraba management company	6.1	11,266,272	9,274,649
Balance with broker		4,513,737	7,405,815
Others		<u>17,422,069</u>	<u>2,903,951</u>
		33,202,078	19,584,415
		<u>49,268,014</u>	<u>54,713,730</u>

6.1 This represents the amount that is to be reimbursed to modaraba in respect of rent of office and other expenses. During the year expenses paid on behalf of management company amount to Rs.2,222,962/- (2010: Rs.3,591,729/-) and during the year modaraba was able to adjust Rs.231,339/- (2010: Rs.1,343,080/-). The facility is in contravention of the Modaraba Ordinance and Rules thereunder.

7 CASH AND BANK BALANCES

Cash in hand	34,722	3,477
Cash with banks in:		
- current accounts	1,537,502	980,611
- deposit accounts	<u>403,825</u>	<u>73,426</u>
	1,941,327	1,054,037
	<u>1,976,049</u>	<u>1,057,514</u>



8 Assets in own use

-----Year ended June 30, 2011-----					
Fixed Assets - owned					Total
Machinery	Furniture and Fittings	Vehicles	Office Equipments and Computers		
-----Rupees-----					
COST					
Balance as at 01 July 2009	-	4,588,095	153,490	2,881,825	7,623,410
Additions during the year	1,891,500	-	-	193,750	2,085,250
Disposals	-	-	-	-	-
Balance as at 30 June 2010	1,891,500	4,588,095	153,490	3,075,575	9,708,660
Balance as at 01 July 2010	1,891,500	4,588,095	153,490	3,075,575	9,708,660
Additions during the year	-	-	-	200,000	200,000
Disposals	-	-	-	-	-
Balance as at 30 June 2011	1,891,500	4,588,095	153,490	3,275,575	9,908,660
DEPRECIATION					
Balance as at 01 July 2009	-	2,154,673	82,773	1,686,341	3,923,787
Charge for the year	104,637	788,361	17,898	626,169	1,537,065
Depreciation on disposals	-	-	-	-	-
Balance as at 30 June 2010	104,637	2,943,034	100,671	2,312,510	5,460,852
Balance as at 01 July 2010	104,637	2,943,034	100,671	2,312,510	5,460,852
Charge for the year	378,300	788,362	17,898	485,616	1,670,176
Depreciation on disposals	-	-	-	-	-
Balance as at 30 June 2011	482,937	3,731,396	118,569	2,798,126	7,131,028
Written down value as at 30 June 2010	1,786,863	1,645,061	52,819	763,065	4,247,808
Written down value as at 30 June 2011	1,408,563	856,699	34,921	477,449	2,777,632
Depreciation rate	20% and 33.33%	20%	20%	20%	



9 ASSETS SUBJECT TO IJARAH

-----Year ended June 30, 2011-----			
Note	Cost	Accumulated Amortization	Written Down Value
	-----Rupees-----		
For Ijarah arrangement before July 1, 2008	18,936,458	9,965,706	8,970,752
For Ijarah arrangement after July 1, 2008	8,702,078	1,815,609	6,886,469
	27,638,536	11,781,315	15,857,221

-----Year ended June 30, 2010-----			
Note	Cost	Accumulated Amortization	Written Down Value
	-----Rupees-----		
For Ijarah arrangement before July 1, 2008	24,336,458	10,795,298	13,541,160
For Ijarah arrangement after July 1, 2008	3,462,800	128,852	3,333,948
	27,799,258	10,924,150	16,875,108

9.1 For Ijarah arrangement before July 1, 2008:

-----Year ended June 30, 2011-----				
Ijarah Assets				Total
Machinery	Vehicles	Office Equipments and Computers		
-----Rupees-----				
COST				
Balance as at 01 July 2009	8,536,775	11,718,342	5,266,880	25,521,997
Additions during the year	-	-	-	-
Disposals	-	(1,185,539)	-	(1,185,539)
Balance as at 30 June 2010	8,536,775	10,532,803	5,266,880	24,336,458
Balance as at 01 July 2010	8,536,775	10,532,803	5,266,880	24,336,458
Additions during the year	-	-	-	-
Disposals	-	(5,400,000)	-	(5,400,000)
Balance as at 30 June 2011	8,536,775	5,132,803	5,266,880	18,936,458
AMORTIZATION				
Balance as at 01 July 2009	1,437,949	3,919,319	1,482,445	6,839,713
Charge for the year	1,453,383	2,203,327	1,010,369	4,667,079
Amortization on disposals	-	(711,494)	-	(711,494)
Balance as at 30 June 2010	2,891,332	5,411,152	2,492,814	10,795,298
Balance as at 01 July 2010	2,891,332	5,411,152	2,492,814	10,795,298
Charge for the year	1,451,386	1,018,518	964,997	3,434,901
Amortization on disposals	-	(4,264,493)	-	(4,264,493)
Balance as at 30 June 2011	4,342,718	2,165,177	3,457,811	9,965,706
Written down value as at 30 June 2010	5,645,443	5,121,651	2,774,066	13,541,160
Written down value as at 30 June 2011	4,194,057	2,967,626	1,809,069	8,970,752



9.2 For Ijarah arrangement commencing after July 1, 2008 on straight line Amortization

	Assets subject to Ijarah			Total
	Machinery	Vehicles	Office Equipments and Computers	
COST	-----Rupees-----			
Balance as at 01 July 2009	-	571,000	-	571,000
Additions during the year	425,000	2,466,800	-	2,891,800
Disposals	-	-	-	-
Balance as at 30 June 2010	425,000	3,037,800	-	3,462,800
Balance as at 01 July 2010	425,000	3,037,800	-	3,462,800
Additions during the year	1,920,103	2,888,400	603,825	5,412,328
Disposals	-	(173,050)	-	(173,050)
Balance as at 30 June 2011	2,345,103	5,753,150	603,825	8,702,078
AMORTIZATION				
Balance as at 01 July 2009	-	17,593	-	17,593
Charge for the year	11,504	99,755	-	111,259
Amortization on disposals	-	-	-	-
Balance as at 30 June 2010	11,504	117,348	-	128,852
Balance as at 01 July 2010	11,504	117,348	-	128,852
Charge for the year	502,882	1,127,831	125,850	1,756,562
Amortization on disposals	-	(69,805)	-	(69,805)
Total Cost as at 30 June 2010				
Balance as at 30 June 2011	514,386	1,175,374	125,850	1,815,609
Written down value as at 30 June 2010	413,496	2,920,452	-	3,333,948
Written down value as at 30 June 2011	1,830,717	4,577,776	477,975	6,886,469



9.3 Disposal of Ijarah assets

The following assets were disposed of during the year having carrying value of more than Rs 50,000:

-----2011-----						
Cost	Accumulated Amortization	Net book Value	Sale Proceeds	Gain/ (Loss)	Mode of disposal	Particulars of buyer
----- (Rupees) -----						
Spectra	400,000	138,334	261,666	325,088	63,422	Termination of lease Rizwan Ahmed
Motor cycle	25,000	16,667	8,333	9,131	798	Termination of lease Wiki
Motor cycle	64,650	21,450	43,200	37,155	(6,045)	Termination of lease Sohail Akbar
Motor cycle	83,400	31,688	51,712	62,600	10,888	Termination of lease Faisal ul Rahman
BMW	5,000,000	4,126,159	873,841	873,841	-	Termination of lease Shuja Malik
	<u>5,573,050</u>	<u>4,334,298</u>	<u>1,238,752</u>	<u>1,307,815</u>	<u>69,063</u>	

-----2010-----						
Cost	Accumulated Amortization	Net book Value	Sale Proceeds	Gain/ (Loss)	Mode of disposal	Particulars of buyer
----- (Rupees) -----						
Motor cycle	33,000	25,000	8,000	8,000	-	Termination of lease Masood Ahmed
Suzuki Cultus	631,352	237,566	393,786	393,786	-	Termination of lease Decent Enterprises
Chevorlet	170,697	93,212	77,485	77,485	-	Termination of lease Suleman Ahmed
Honda CD 70	50,490	41,968	8,522	8,522	-	Termination of lease Meraj Industries
Cherry QQ	300,000	125,834	174,166	174,166	-	
	<u>1,185,539</u>	<u>523,580</u>	<u>661,959</u>	<u>661,959</u>	<u>-</u>	



	Note	2011	2010
		------(Rupees)-----	
9.4 FUTURE IJARAH RENTALS RECEIVABLE			
Future minimum Ijarah rentals receivable on the basis of Ijarah agreements executed upto 30 June are as follows:			
Not later than one year		5,708,223	5,992,091
Later than one year but not later than five years		5,949,059	8,592,478
Later than five years		-	-

General description of ijarah arrangements

This represents ijarah arrangements made by the modaraba at profit rates ranging from 12.50% to 24% (2010:14% to 25%) per annum. Most of the Ijarah are of machinery and vehicles. These are secured against assets under ijarah, personal/corporate guarantees, demand promissory notes executed by Musta'jir and other collaterals.

10 INVESTMENT IN SUBSIDIARY

Equity investment	10.1	6,400,000	6,400,000
Advance	10.2	53,152,222	10,730,321
		<u>59,552,222</u>	<u>17,130,321</u>

10.1 This represents equity investment in the ordinary shares of Alka Power (Private) Limited. Modaraba holds 80% (2010: 80%) control over subsidiary through 80,000 shares (2010: 80,000 shares) of Rs. 100/- each, acquired at a cost of Rs. 80/- per share.

10.2 This represents advance to Alka Power (Private) Limited which is stated to be adjustable against further issue of shares of Rs 100/- each at par.

11 LONG TERM MURABAHA FINANCE

Opening balance		-	30,000,000
Add: Disbursed during the year	11.1	23,000,000	-
		23,000,000	30,000,000
Less: Current portion		-	(30,000,000)
		<u>23,000,000</u>	<u>-</u>

11.1 Current year's disbursement represents murabaha arrangements made with a single party on 7 February 2011 for a period of three years, maturing on 14 March 2014 incorporating profit at the rate of 17.5% p.a payable monthly. The facility is secured by hypothecation of stocks, spares, stores & other stocks of the value of Rs. 30,000,000/- plus personal guarantee of borrower and demand promissory note.

This borrower is a certificate holder holding 9.9% of the issued and paid up modaraba certificates. Part II of Prudential Regulations 7(3) restricts provision of facility to major certificate holders. Modaraba expects to receive the amount on maturity date till 14 March 2014.

Previous year's murabaha finance arrangements is matured on March 2011 carrying profit rate of 10.5% p.a. payable monthly. The facility was secured by hypothecation of current assets and personal guarantees of borrowers.

12 MUSHARAKA FINANCE- SECURED

11,442,348 86,786,302

Musharaka finance facilities are arranged for the purpose of normal business activities of the Modaraba from a modaraba. The maximum period of these arrangements is twelve months. The provisional rate of profit payable ranges from 14% to 18% (2010: 14% to 18%) per annum. The arrangements are secured against pledge of marketable securities, hypothecation charge over current assets and demand promissory note.

13 SHORT TERM FINANCE - SECURED

9,499,914 20,848,123

The facility with a limit of Rs. 9.5 million is obtained as short term running finance for working capital requirements/ investment needs from Banks carrying mark up at 1.5% Spread over deposit rate on HBL Advantage A/c #D3M-1025/2011/001 and is secured against Advantage A/c #D3M-1025/2011/001 (term deposit receipts) with minimum 5% margin.

Last year's facility with a limit of Rs. 40 million was initially obtained for one year on June 10, 2008 as a short term finance for working capital requirements including making short term investments from Arif Habib Bank Ltd, carrying mark up at 3 Months KIBOR ask average rate plus 3% p.a. with a margin of 30% minimum. It is secured against marketable securities of KSE 30 Index publicly quoted companies under bank's pledge at Central Depository Company Ltd with a minimum margin of 30% (as per bank's approved list) on overall exposure.



	Note	2011 ------(Rupees)-----	2010
14 ACCRUED AND OTHER LIABILITIES			
Accrued expenses		703,161	783,492
Musharaka profit payable		1,430,192	8,208,177
Contribution to Provident fund payable		1,413,448	1,089,744
Withholding tax		906,146	483,347
Other liabilities		7,159,604	4,814,789
		<u>11,612,551</u>	<u>15,379,549</u>
15 LONG TERM SECURITY DEPOSITS			
Security deposits		9,588,392	4,514,293
Less: Current portion		(220,000)	(295,000)
		<u>9,368,392</u>	<u>4,219,293</u>
16 CERTIFICATE CAPITAL			
Authorised certificate capital			
2011	2010		
No. of certificates			
<u>50,000,000</u>	<u>50,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
Modaraba certificates of Rs. 10/-			
Issued, subscribed and paid-up capital			
18,500,000	18,500,000	185,000,000	185,000,000
Modaraba Certificates of Rs 10 each fully paid in cash			
1,687,500	1,687,500	16,875,000	16,875,000
Modaraba Certificates of Rs 10 each issued as fully paid bonus certificates			
<u>20,187,500</u>	<u>20,187,500</u>	<u>201,875,000</u>	<u>201,875,000</u>
17 RESERVES			
Statutory Reserve	17.1	34,313,509	34,313,509
Unrealised gain on revaluation of available for sale investments		4,858,517	4,828,914
		<u>39,172,026</u>	<u>39,142,423</u>
17.1 Statutory reserve represents profit set aside in accordance with the requirements of Prudential Regulations for Modarabas issued by the SECP. These regulations require the Modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that reserves equals 100% of the paid up capital. Thereafter, a sum not less than 5% of the after tax profit is to be transferred. In the previous year, the Modaraba had transferred an amount of Rs. 416,410 which represents 20% of the profit after tax. In view of loss after tax for the year no transfer to statutory reserve is made in the current year.			
18 CONTINGENCIES AND COMMITMENTS			
18.1 Contingencies:			
The modaraba has provided guarantee amounting to Rs. 85,092,100/- (2010: Nil) on behalf of the contractor which is secured against 5% cash margin of the guarantee amount, lien over immovable property and personal guarantee of the contractor.			
This guarantee (unfunded facility) also exceeds the allowable limit which is laid down by Para 1 Part II of Prudential Regulations which restrict the maximum amount for unfunded facility to a single person to the extent of 30% of equity of modaraba.			
18.2 Commitments:			
The modaraba has not made any capital commitments (2010: Nil) at the balance sheet date.			
19 PROFIT ON MUSHARAKA FINANCING			
Profit on musharaka arrangements		35,838,885	46,514,278
Profit held in suspense account		(11,791,459)	(9,056,664)
		<u>24,047,426</u>	<u>37,457,614</u>



Note	2011	2010
	------(Rupees)-----	
20 RETURN ON INVESTMENTS		
Dividend Income	93,300	1,864,559
Gain realised on sale of investments-Net	100,563	3,999,655
	<u>193,863</u>	<u>5,864,214</u>
21 OTHER INCOME		
Income from financial assets:		
Profit on bank deposits	1,730	20,912
Profit on term deposit receipts	286,644	-
Profit on receivables	532,275	809,874
Income on sale of shares under agreement	-	6,529,894
	820,649	7,360,680
Income from assets other than financial assets:		
Loss on trading activity	-	(943,214)
Gain on disposal of asset subject to Ijarah	69,063	-
Miscellaneous income	2,075,783	625,551
	<u>2,144,846</u>	<u>(317,663)</u>
	<u>2,965,495</u>	<u>7,043,017</u>
22 ADMINISTRATIVE AND GENERAL EXPENSES		
Salaries and other benefits	22.1 8,388,858	9,380,055
Travelling and conveyance	245,539	598,988
Entertainment	158,819	296,765
Repair and maintenance	106,738	288,165
Registrar services	133,987	141,312
Utilities	53,478	245,663
Printing and stationery	125,433	367,808
Fee and subscription	421,844	243,740
Legal and professional	2,033,020	25,738
Auditors' remuneration	22.2 372,250	320,900
Insurance	46,386	33,312
Postage	46,466	59,904
Telephone	477,213	575,123
Depreciation on fixed assets - owned	8 1,670,176	1,537,065
Motor vehicle running and maintenance	200,330	188,700
Stamp paper and revenue stamps	2,465	2,760
Advertisement	94,313	63,500
Donation	22.3 50,000	-
Miscellaneous	530,532	317,964
	<u>15,157,847</u>	<u>14,687,462</u>
22.1 Remuneration of Officers		
Remuneration	8,035,060	8,805,089
Employer's contribution to provident fund	161,798	287,966
Others	192,000	287,000
	<u>8,388,858</u>	<u>9,380,055</u>
Number of persons	<u>14</u>	<u>16</u>
Officers are also provided with free use of Modaraba's vehicles.		
22.2 Auditors' Remuneration		
Audit fee	350,000	300,000
Out-of-pocket expenses	22,250	20,900
	<u>372,250</u>	<u>320,900</u>
22.3 None of the directors and their spouses has any interest in the donee.		
23 FINANCE COST		
Mark up on short term finance	424,984	3,280,753
Profit on Musharaka finance	11,447,494	12,650,233
Bank charges	30,016	14,567
	<u>11,902,494</u>	<u>15,945,553</u>



24 MODARABA MANAGEMENT COMPANY FEE

The management company is entitled to a remuneration for services rendered to the Modaraba under the provisions of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 upto maximum 10% per annum of the net annual profits of the Modaraba. The management company fee for the previous year was recognised at 10% of the profit. In view of loss after tax for the year no management company fee is recognised during the year.

25 TAXATION

No provision with respect to current and deferred taxation has been made in these accounts on the premise that under the current tax law the income of Modaraba from non trading activities is exempt from income tax provided that they distribute ninety percent of its profit to certificate holders out of current year's total profit after appropriating to statutory reserves. The Modaraba intends to continue to avail the exemption.

Note	2011 ------(Rupees)-----	2010
26 EARNINGS/(LOSS) PER CERTIFICATE- Basic and Diluted		
Profit/(Loss) for the year	<u>(8,782,498)</u>	<u>2,082,051</u>
Weighted average number of modaraba certificates outstanding during the year	<u>20,187,500</u>	<u>20,187,500</u>
Earnings/(Loss) per certificate- basic and diluted	<u>(0.44)</u>	<u>0.10</u>

There is no dilution effect on the basic earnings/(loss) per certificate as the Modaraba has no convertible instruments in issue at the end of the year.

27 IMPAIRMENT LOSS ON AVAILABLE FOR SALE INVESTMENTS

The Karachi Stock Exchange (Guarantee) Limited (KSE) placed a "Floor Mechanism" on the market value of securities effective from August 27, 2008 till December 15, 2008, based on the closing prices of securities prevailing as on August 27, 2008. Consequent to the introduction of Floor Mechanism, the market volume declined significantly during the said period. Subsequent to the lifting of the floor, there were lower floors on a number of securities at December 31, 2008. The equity securities were valued at prices quoted on KSE on December 31, 2008 without any adjustment.

Due to unprecedented decline in equity security prices and financial crisis, the SECP allowed to show impairment loss, if any, recognized as on December 31, 2008 due to valuation of listed equity investment held as 'Available for Sale' to quoted market prices under equity and take this amount to the profit and loss account on quarterly basis during the calendar year ending on December 31, 2009. The amount taken to equity was required to be treated as a charge to the profit and loss account for the purposes of distribution as dividend. Pursuant to this, the Modaraba has charged the entire amount to the profit and loss account by December 31, 2009.

Impairment loss of available for sale investment as on December 31, 2008	-	5,924,810
Realized/unrealized gain for two quarters	-	(3,050,810)
Impairment loss transferred to profit and loss for the year	-	<u>(2,874,000)</u>
Impairment loss carried forward	-	<u>-</u>

28 MATURITIES OF ASSETS AND LIABILITIES

Assets	Amount	----- As at June 30, 2011 -----			
		Up to one month	One month to three month	Three month to one year	More than one year
-----Rupees-----					
Cash and bank balances	1,976,049	1,976,049	-	-	-
Advances, deposits, prepayments & other receivables	49,268,014			49,268,014	
Short term investments	14,220,319	124,263	-	14,096,056	-
Musharaka receivables	109,132,184	-	-	109,132,184	-
Ijarah rentals receivable	4,141,167	4,141,167		-	-
Investment in subsidiary	59,552,222	-	-	-	59,552,222
Long term deposits	3,379,960	-	-	-	3,379,960
Fixed assets	18,634,853	-	-	-	18,634,853
Long term murabaha finance	<u>23,000,000</u>	-	-	-	<u>23,000,000</u>
Total assets as at June 30, 2011	<u>283,304,768</u>	<u>6,241,479</u>	<u>-</u>	<u>172,496,254</u>	<u>104,567,035</u>



As at June 30, 2011

Liabilities	Amount	Up to one month	One month to three month	Three month to one year	More than one year
Rupees					
Accrued and other liabilities	11,612,551	906,146	-	10,706,405	-
Short term finance	9,499,914	-	-	9,499,914	-
Musharaka finance	11,442,348	-	-	11,442,348	-
Security deposits payable	9,588,392	220,000	-	-	9,368,392
Unclaimed profit distribution	7,987,915	-	-	7,987,915	-
Total liabilities as at June 30, 2011	50,131,120	1,126,146	-	39,636,582	9,368,392
Net balance	233,173,648	5,115,333	-	132,859,672	95,198,643
Certificate holders' equity	233,173,648				

As at June 30, 2010

Assets	Amount	Up to one month	One month to three month	Three month to one year	More than one year
Rupees					
Cash and bank balances	1,057,514	1,057,514	-	-	-
Advances, deposits, prepayments & other receivables	54,713,730	11,879,506	2,902,547	39,931,677	-
Short term investments	23,308,337	1,455,526	-	21,852,811	-
Musharaka receivables	227,655,959	21,708,000	10,850,000	195,097,959	-
Ijarah rentals receivable	1,513,948	-	1,513,948	-	-
Current portion of murabaha finance	30,000,000	-	-	30,000,000	-
Investment in subsidiary	17,130,321	-	-	-	17,130,321
Long term deposits	3,379,960	-	-	-	3,379,960
Fixed assets	21,122,916	-	-	-	21,122,916
Total assets as at June 30, 2010	379,882,685	36,100,546	15,266,495	286,882,447	41,633,197

Liabilities	Amount	Up to one month	One month to three month	Three month to one year	One year to five years
Rupees					
Accrued and other liabilities	15,379,549	-	-	15,379,549	-
Short term finance	20,848,123	-	-	20,848,123	-
Musharaka finance	86,786,302	-	-	86,786,302	-
Security deposits Payable	4,514,293	-	-	295,000	4,219,293
Due to management company	231,339	-	-	231,339	-
Unclaimed profit distribution	4,140,291	4,140,291	-	-	-
Total liabilities as at June 30, 2010	131,899,897	4,140,291	-	123,540,313	4,219,293
Net balance	247,982,788	31,960,255	15,266,495	163,342,134	37,413,904
Certificate holders' equity	247,982,788				

29 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2011

Assets	Loans and receivables	Held to maturity	Available for sale	Held for trading	Total
Rupees					
Cash and bank balances	1,976,049	-	-	-	1,976,049
Ijarah rentals receivable	4,141,167	-	-	-	4,141,167
Advances and deposits	1,424,689	-	-	-	1,424,689
Short term investments	-	10,000,000	4,096,056	124,263	14,220,319
Musharaka profit and other receivables	47,796,118	-	-	-	47,796,118
Musharaka receivables	109,132,184	-	-	-	109,132,184
Long term deposits	3,379,960	-	-	-	3,379,960
Long term murabaha finance	23,000,000	-	-	-	23,000,000
Investment in subsidiary	59,552,222	-	-	-	59,552,222
	250,402,389	10,000,000	4,096,056	124,263	264,622,708



----- As at June 30, 2011 -----			
LIABILITIES	Liabilities at fair value through profit or loss	At Amortized cost	Total
	-----Rupees-----		
Musharaka finance	-	11,442,348	11,442,348
Short term finance-secured	-	9,499,914	9,499,914
Accrued & other liabilities	-	11,612,551	11,612,551
Due to management company	-	-	-
Unclaimed profit distribution	-	7,987,915	7,987,915
	-	40,542,728	40,542,728

----- As at June 30, 2010 -----				
ASSETS	Loans and receivables	Available for sale	Held for trading	Total
	-----Rupees-----			
Cash and bank balances	1,057,514	-	-	1,057,514
Ijarah rentals receivable	1,513,948	-	-	1,513,948
Advances and deposits	1,133,371	-	-	1,133,371
Short term investments	-	21,852,811	1,455,526	23,308,337
Musharaka Receivables	227,655,959	-	-	227,655,959
Musharaka profit and other receivables	53,451,224	-	-	53,451,224
Long term murabaha finance	30,000,000	-	-	30,000,000
Long term deposits	3,379,960	-	-	3,379,960
Investment in subsidiary	17,130,321	-	-	17,130,321
	335,322,297	21,852,811	1,455,526	358,630,634

----- As at June 30, 2010 -----			
LIABILITIES	Liabilities at fair value through profit or loss	At amortized cost	Total
	-----Rupees-----		
Musharaka finance	-	86,786,302	86,786,302
Short term finance-secured	-	20,848,123	20,848,123
Accrued & other liabilities	-	15,379,549	15,379,549
Due to management company	-	231,339	231,339
Unclaimed profit distribution	-	4,140,291	4,140,291
Total liabilities	-	127,385,604	127,385,604

30 FINANCIAL RISK MANAGEMENT

The Modaraba finances its operations through equity & borrowings. The Modaraba utilises funds in ijarah financing, musharaka financing and murabaha financing activities. These activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk.

30.1 Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

Market risk comprises of three types of risk: currency risk, profit rate risk and other price risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Modaraba at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.



(ii) Equity price risk

Equity price risk represents the risk that the fair value of equity investments will fluctuate because of changes in levels of indices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Modaraba is exposed to equity price risk as modaraba holds available for sale and held for trading investments.

Reporting date all index points

	Changes in KSE all index	Effects on profit before tax	Effects on equity
-----Rupees-----			
Available for sale investments			
	+10%	-	409,606
2011	-10%	-	(409,606)
	+10%	-	2,185,281
2010	-10%	-	(2,185,281)
Held for trading investments			
	+10%	12,426	-
2011	-10%	(12,426)	-
	+10%	145,553	-
2010	-10%	(145,553)	-

(iii) Profit rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

The Modaraba has no significant long-term interest-bearing assets. The Modaraba's mark up/profit rate risk arises from long term Murabaha financing, short term Musharaka financing, investments in term deposits, deposit account balances and ijarah financing.

At the balance sheet date the interest rate profile of the Modaraba's mark up bearing financial instruments was:

	2011	2010
----- (Rupees) -----		
Fixed rate instruments		
Financial assets		
Long term murabaha finance	23,000,000	30,000,000
Ijarah rentals receivable	4,141,167	1,513,948
Musharaka receivables	109,132,184	227,655,959
Short term investments- Investment in term deposit receipts	10,000,000	-
Floating rate instruments		
Financial assets		
Bank balances-deposit accounts	403,825	73,426

Fair value sensitivity analysis for fixed rate instruments

Modaraba's fixed rate financial assets and liabilities are not exposed to interest rate risk.

Cash flow sensitivity analysis for floating rate instruments

If interest rates, at the year end date, fluctuates by 1% higher/lower with all other variables held constant, loss after taxation for the year would have been Rupees 4,038/- lower/higher and profit after taxation for the year 2010: Rupees 734/- higher/lower respectively. This analysis is prepared assuming that the amounts of floating rate instruments outstanding at balance sheet dates remained outstanding for the whole year.

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values except for equity and debt instruments whose fair values have been disclosed in their respective notes to these financial statements. Fair value is determined on the basis of objective evidence at each reporting date. The company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in active market for identical instrument.

Level 2: Valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from Prices)

Level 3: Valuation techniques using significant unobservable inputs.



	Level-1	Level-2	Level-3	Total
Rupees				
As at 30 June 2011:				
At fair value through profit or loss account-Held for trading	124,263	-	-	124,263
Available for sale	4,096,056	-	-	4,096,056
	<u>4,220,319</u>	<u>-</u>	<u>-</u>	<u>4,220,319</u>
As at 30 June 2010:				
At fair value through profit or loss account-Held for trading	1,455,526	-	-	1,455,526
Available for sale	21,852,811	-	-	21,852,811
	<u>23,308,337</u>	<u>-</u>	<u>-</u>	<u>23,308,337</u>

30.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Modaraba is exposed to credit risk in respect of long term murabaha, musharaka and ijarah arrangements.

The Modaraba attempts to control credit risk by diversification of financing activities to avoid undue concentration of credit risk with individuals or groups of customers in specific locations or businesses, monitoring credit exposures, limiting transactions to specific counterparties, obtaining securities and continually assessing the credit worthiness of counterparties.

	2011	2010
	------(Rupees)-----	
30.2.1 Maximum exposure to credit risk		
The maximum exposure to credit risk at the reporting date was as follows:		
Financial assets		
Bank balances	1,941,327	1,054,037
Ijarah rentals receivable	4,141,167	1,513,948
Advances and deposits	1,424,689	1,133,371
Investments in Term Deposit Receipts	10,000,000	-
Profit receivable on musharaka finance and other receivables	47,796,118	53,451,224
Musharaka receivables	109,132,184	227,655,959
Murabaha finance	23,000,000	30,000,000
Long term deposits	3,379,960	3,379,960
Advance to subsidiary	53,152,222	10,730,321
	<u>253,967,667</u>	<u>328,918,820</u>

Geographically all credit exposure is concentrated in Pakistan.

30.2.2 Concentration of credit risk

Concentration of credit risk in respect of balances with customers by industrial distribution is as follows:

	As at June 30, 2011			
	Ijarah rental receivables	Musharaka receivables	Murabaha receivables	Total
Rupees				
Chemical and pharmaceuticals	-	-	23,000,000	23,000,000
Brokerage houses	-	19,811,553	-	19,811,553
Group companies/undertakings	-	14,000,000	-	14,000,000
Education	1,448,570	69,314,869	-	70,763,439
Engineering	60,907	1,474,835	-	1,535,742
Individuals	2,412,357	-	-	2,412,357
Others	219,333	4,530,927	-	4,750,260
	<u>4,141,167</u>	<u>109,132,184</u>	<u>23,000,000</u>	<u>136,273,351</u>

	As at June 30, 2010			
	Ijarah rental receivables	Musharaka receivables	Murabaha receivables	Total
Rupees				
Chemical and pharmaceuticals	-	-	30,000,000	30,000,000
Brokerage houses	-	53,290,317	-	53,290,317
Group companies/undertakings	-	89,000,000	-	89,000,000
Education	500,000	77,013,557	-	77,513,557
Engineering	27,685	3,234,835	-	3,262,520
Individuals	986,263	-	-	986,263
Others	-	5,117,250	-	5,117,250
	<u>1,513,948</u>	<u>227,655,959</u>	<u>30,000,000</u>	<u>259,169,907</u>



2011 2010
------(Rupees)-----

The age analysis of musharaka and ijarah rental receivables and related impairment loss at the balance sheet date was:

Aging of musharaka and ijarah rental receivables

Not past due	73,228,381	227,655,959
Past due 0 - 180 days	17,808,535	28,556,664
Past due 181 - 365 days	-	-
1 - 2 years	14,214,713	-
More than 2 years	41,833,274	19,500,000

Due to Modaraba's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing and collaterals, the management does not expect non-performance by these counter parties on their obligations to the Modaraba. Accordingly, the credit risk is moderate.

30.3 Liquidity Risk

Liquidity risk reflects an enterprise's inability in raising funds to meet its commitments. The Modaraba's management closely monitors the Modaraba's liquidity and cash flow position.

----- As at June 30, 2011 -----

Total	Upto three months	More than three months and upto one year	More than one year
-------	-------------------	--	--------------------

-----Rupees-----

Current Liabilities

Musharaka finance	11,442,348	-	11,442,348	-
Short term finance	9,499,914	-	9,499,914	-
Accrued & other liabilities	11,612,551	906,146	10,706,405	-
Security deposits payable	220,000	220,000	-	-
Due to management company	-	-	-	-
Unclaimed profit distribution	7,987,915	-	7,987,915	-
Total current liabilities	40,762,728	1,126,146	39,636,582	-

Non-current liabilities

Security deposits payable	9,368,392	-	-	9,368,392
Total non-current liabilities	9,368,392	-	-	9,368,392

----- As at June 30, 2010 -----

Total	Upto three months	More than three months and upto one year	More than one year
-------	-------------------	--	--------------------

-----Rupees-----

Current liabilities

Musharaka finance	86,786,302	-	86,786,302	-
Short term finance	20,848,123	20,848,123	-	-
Accrued & other liabilities	15,379,549	-	15,379,549	-
Security deposits payable	295,000	-	295,000	-
Due to management company	231,339	-	231,339	-
Unclaimed profit distribution	4,140,291	-	4,140,291	-
Total current liabilities	127,680,604	20,848,123	106,832,481	-

Non-current liabilities

Security deposits payable	4,219,293	-	-	4,219,293
Total non-current liabilities	4,219,293	-	-	4,219,293

31 CAPITAL RISK MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate-holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of dividends paid to certificate-holders, issue new certificates or sell assets to reduce debt.



Consistent with others in the industry, the Modaraba monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus net debt.

	2011	2010
	----- (Rupees) -----	
Total borrowings	20,942,262	107,634,425
Less: Cash and bank balances	<u>(1,976,049)</u>	<u>(1,057,514)</u>
Net debt	18,966,213	106,576,911
Total equity	233,173,648	247,982,787
Total capital	<u>252,139,861</u>	<u>354,559,698</u>
Gearing ratio	<u>7.5%</u>	<u>30%</u>

32 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, key management personnel of the management company and their close family members, retirement benefit plan and entities with common directors or under common management.

Contribution to the provident fund is made in accordance with the services rules. The Modaraba management fee, is accrued in accordance with the requirements of Modaraba regulations, Remuneration of the key management personnel are in accordance with terms of their employment. Other transactions are also at agreed terms.

Detail of transactions with related parties and balances with them as at the year end were as follows:

Transactions during the year	Relationship	2011	2010
		----- (Rupees) -----	
Modaraba management fee	Management Company	-	231,339
Alka Power (Private) Limited			
Advances	Subsidiary	42,421,901	9,321,399
Associated companies:			
Dosslani's Securities (Pvt) Ltd			
Recovery against Musharaka	Company did not hold any certificates on the balance sheet date, last year it held	12,500,000	10,000,000
Profit charged on Musharaka facility	34.84% of the paid up	6,303,365	8,355,630
Musharaka profit received	certificates of Modaraba	12,577,172	-
United Ethanol Industries(Pvt)Ltd			
Profit charged and received on Murabaha		3,847,764	3,150,000
Murabaha facility recovered during the year	Holds 9.91% of the paid up certificates of Modaraba	30,000,000	-
Murabaha facility disbursed during the year		23,000,000	-
University of Management and Technology			
Recovery against Musharaka		-	-
Profit charged on Musharaka facility	Holds 15.2% of the paid up certificates of Modaraba	6,120,000	6,120,000
Musharaka profit received		-	5,440,986
Institute of leadership & Management			
Recovery against Musharaka		7,056,099	551,603
Profit charged on Musharaka facility		6,899,374	7,289,375
Musharaka Profit received	Common management	8,808,898	7,514,640
Ijarah rental accrued		1,626,120	1,626,120
Ijarah rental received		677,550	2,074,517



	2011	2010
	----- (Rupees) -----	
Key management personnel remuneration		
Salaries and benefits	8,035,060	8,805,089
Contribution to staff provident fund	161,798	287,966
Other benefits	192,000	287,000
Number of persons	14	16
Outstanding Balance at the year end		
Receivable from modaraba management company	11,266,272	9,274,649
Modaraba management fee payable	-	231,339
Receivable from Dossiani's Securities (Private) Limited	39,041,638	58,064,933
Receivable from United Ethanol Industries (Private) Limited	23,000,000	30,000,000
Receivable from University of Management and Technology	46,324,937	40,207,067
Receivable from Institute of leadership & Management	36,912,925	44,929,979
Investment in Subsidiary	59,552,222	17,130,321

33 NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

There are no significant activities since the year end affecting the financial statements.

34 CORRESPONDING FIGURES

The corresponding figures for the last year are rearranged and reclassified, whenever necessary, for the purposes of comparison. Appropriate disclosure is given in relevant note in case of material rearrangements.

35 GENERAL

Figures have been rounded off to the nearest rupee.

36 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on December 08, 2011 by the board of directors of the Modaraba Management Company.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



FIRST IBL MODARABA
PATTERN OF HOLDING OF CERTIFICATE HELD BY THE CERTIFICATE HOLDERS
As At June 30, 2011

NO. OF CERTIFICATE HOLDERS	CERTIFICATE HOLDERS		TOTAL CERTIFICATES HELD
	FROM	TO	
222	1	50	4,417
155	51	100	11,797
319	101	500	86,260
203	501	1000	142,897
250	1001	5000	506,262
29	5001	10000	191,491
6	10001	15000	77,833
5	15001	20000	89,502
3	20001	25000	66,812
2	25001	30000	53,995
3	30001	35000	101,664
2	35001	40000	72,742
2	40001	45000	85,957
1	50001	55000	51,087
1	55001	60000	58,000
1	90001	95000	92,700
3	95001	100000	297,500
1	130001	135000	135,000
1	135001	140000	135,819
1	145001	150000	150,000
2	155001	160000	320,000
1	165001	170000	170,000
2	195001	200000	399,568
1	235001	240000	235,068
1	305001	310000	305,299
1	335001	340000	339,509
1	505001	510000	509,990
5	600001	1100000	4,727,077
4	1100001	1600000	5,699,254
1	1600001	2100000	2,000,000
1	2600001	3100000	3,070,000
1230			20,187,500

FIRST IBL MODARABA
CATEGORIES OF CERTIFICATES HOLDERS
As At June 30, 2011

CATEGORIES OF CERTIFICATE HOLDERS	NUMBER	CERTIFICATES HELD	PERCENTAGE
NATIONAL INVESTMENT TRUST	4	2,326,412	11.52
INVESTMENT CORPORATION OF PAKISTAN	1	3,006	0.01
PUBLIC SECTOR COMPANIES AND CORPORATIONS	1	191	-
BANKS	5	568,215	2.81
DEVELOPMENT FINANCE INSTITUTIONS	1	1,000	-
INSURANCE COMPANIES	4	517,608	2.57
MODARABAS	1	70	-
JOINT STOCK COMPANIES	10	2,220,996	11.01
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	2	2,030,905	10.06
OTHERS	2	3,097,500	15.34
INDIVIDUALS	1199	9,421,597	46.68
	1230	20,187,500	100



**FIRST IBL MODARABA
DETAIL OF CATEGORIES OF CERTIFICATE HOLDERS**

CATAGORIES OF CERTIFICATE HOLDERS	NO. OF CERTIFICATE HOLDERS	CERTIFICATE HELD
NATIONAL INVESTMENT TRUST		
03889-28 NATIONAL BANK OF PAKISTAN		135,819
03889-44 NATIONAL BANK OF PAKISTAN		727,077
02154-27 NATIONAL BANK OF PAKISTAN - TRUSTEE DEPARTMENT NI(U) T		1,426,774
11353-22 NATIONAL INVESTMENT TRUST LIMITED		36,742
	4	2,326,412
INVESTMENT CORPORATION OF PAKISTAN		
00638 INVESTMENT CORPORATION OF PAKISTAN		3,006
	1	3,006
PUBLIC SECTOR COMPANIES & CORPORATIONS		
00611 M/S NAFEEES COTTON MILLS LTD		191
	1	191
BANKS		
02295-39 FAYSAL BANK LTD		199,568
00430 CRESCENT INVESTMENT BANK LIMITED		4,348
03079-34 SONERI BANK LIMITED		58,000
00792 THE BANK OF PUNJAB		1,000
07088-39 THE BANK OF PUNJAB-TREASURY DIVISION		305,299
	5	568,215
DEVELOPMENT FINANCE INSTITUTIONS		
1519 NATIONAL DEVELOPMENT FINANCE CORPORATION INVESTOR		1,000
	1	1,000
INSURANCE COMPANIES		
00435 ASIA INSURANCE COMPANY LTD		5,843
00227 GULF INSURANCE COMPANY LTD		1,200
03228-6727 SILVER STAR INSURANCE COMPANY LTD		575
02683-23 STATE LIFE INSURANCE CORPORATION OF PAKISTAN		509,990
	4	517,608
MODARABAS		
03277-2906 FIRST TRI STAR MODARABA		70
	1	70
JOINT STOCK COMPANIES		
06882-25 AWJ SECURITIES (SMC - PRIVATE) LIMITED		584
03855-21 DARSON SECURITIES (PVT) LTD		168
05587-22 FIRST NATIONAL EQUITIES LIMITED		200,000
07385-17 ISMAIL ABDUL SHAKOOR SECURITIES (PVT) LTD		1,000
00639 D.S CORPORATION (PVT) LTD		11,687
01536 NH SECURITIES (PVT) LTD		165
03525-63474 PYRAMID INVESTMENT (PVT) LIMITED		800
03525-57191 SARFRAZ MEHMOOD (PVT) LIMITED		512
03277-59476 TAG HOLDING (PVT) LTD		6,080
01222-9970 UNITED ETHANOL INDUSTRIES LIMITED		2,000,000
	10	2,220,996
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES		
00001 IBL MODARABA MANAGEMENT (PVT) LIMITED		1,180,905
01783 IBL MODARABA MANAGEMENT (PVT) LIMITED		850,000
	2	2,030,905
OTHERS		
01777 GOVT COLLEGE UNIVERSITY		27,500
09316-2463 UNIVERSITY OF MANAGEMENT & TECHNOLOGY		3,070,000
	2	3,097,500
Categories Total	31	10,765,903
Individuals	1,199	9,421,597
Grand Total	1,230	20,187,500



FIRST IBL MODARABA
CATEGORIES OF CERTIFICATES HOLDERS
As At June 30, 2011

	CERTIFICATES HELD	PERCENTAGE
<u>OTHERS</u>		
09316-2463 UNIVERSITY OF MANAGEMENT & TECHNOLOGY	3,070,000	15.21
<u>NATIONAL INVESTMENT TRUST</u>		
02154-27 NATIONAL BANK OF PAKISTAN, TRUSTEE DEPTT.	2,326,412	11.52
<u>ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</u>		
0001 IBL MODARABA MANAGEMENT (PRIVATE) LIMITED	2,030,905	10.06



First IBL Modaraba

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