



POPULAR ISLAMIC MODARABA
An Islamic Financial Institution

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Imamuddin Shouqeen	- Chairman
	Mr. Shahbaz Ali Malik	- Director
	Mr. Khurram Abdullah	- Independent Director
	Saiyed Faiq Hussain	- Director / Chief Executive
	Mr. Malik Junaid Emam	- Director
	Mr. Kamran Hussain Mughal	- Director / Company Secretary
AUDIT COMMITTEE	Mr. Khurram Abdullah	- Chairman
	Mr. Malik Junaid Emam	- Member
	Mr. Shahbaz Ali Malik	- Member
SHARIAH ADVISOR	Mufti Mohammad Ibrahim Essa	
COMPANY SECRETARY	Mr. Kamran Hussain Mughal	
CHIEF FINANCIAL OFFICER	Mr. Ali Hasan Kalroo	
BANKERS	Albaraka Bank (Pakistan) Limited	
	Meezan Bank Limited	
AUDITORS	Baker Tilly Mehmood Idrees Qamar Chartered Accountant	
LEGAL ADVISOR	Zafar Ali Shah Advocate Bukhari Law Associates	
MANAGEMENT COMPANY	Popular Islamic Modaraba Management Company (Pvt.) Ltd	
REGISTERED OFFICE	15h Floor, Hasrat Mohani Road, Off. I.I.Chundrigar Road, Karachi.	
SHARE REGISTRAR	Central Depository Company of Pakistan CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi.	



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DIRECTOR'S REPORT

The Board of Directors of Popular Islamic Modaraba Management Company (Pvt.) Limited, the Management Company of Popular Islamic Modaraba (the Modaraba) is pleased to present the Directors' Report of the Modaraba, together with Condensed Interim Half Yearly Reviewed Financial Information as on December 31, 2017 alongwith Auditors' Report thereon.

The summarized financial results for the half year ended December 31, 2017 are as under:

	December 31,2017	December 31,2016
	-----Rupees-----	
Income	15,723,378	16,460,547
Operating expenses	(4,091,181)	(3,192,984)
Depreciation of Ijarah Assets	(10,319,010)	(12,664,681)
Operating profit	1,313,187	602,882
Other Income	482,335	1,192,321
Profit before management fee	1,795,523	1,795,203
Management fee	(179,552)	(179,520)
Sales tax on management fee	(26,933)	(28,723)
Profit before taxation	1,589,037	1,586,960
Taxation- current year	-	-
Profit after taxation	1,589,037	1,586,960
Total comprehensive income	1,589,037	1,586,960
Earnings per certificate - basic & diluted	0.16	0.16

Review of Operations

We have completed our first half of current financial year. This period remained reasonably well in terms of business volume, whereas maintaining spreads and profit margins again remained very challenging due to reduced rate of profit and high competition with market players within Islamic Finance Industry of Pakistan. Our profit spread has significantly reduced and this reduction is continuously pressurizing profitability. However, due to increase in disbursement volumes, we are maintaining our profitability to some extent.



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During the period under review, the Modaraba's performance has been satisfactory in comparison with the corresponding period of the last year. During the period under review the Modaraba's Income slightly decreased from Rs.16,460 million to Rs.15,723 million mainly due to limited Ijarah Financing. However, profit before management fee stands on comparatively same as per the corresponding period i.e Rs.1,795 million. Whereas, the net profit slightly increased from Rs.1,586 million to Rs.1,589 million. Accordingly, the earning per certificate worked out to Re.0.16 which remained parallel as compared to the corresponding period of the last year. The Modaraba has also succeeded in reducing the depreciation expenses from Rs.12,664 million to Rs.10,319 million by diversifying its portfolio on Diminishing Musharakah. During the period under review, the Modaraba has also made disbursement for Diminishing Musharakah and increased its Murabahah portfolio as well. The clientele has a good mix of multi-nationals, large and medium sized local corporate and selective SME relationships.

Future outlook

Modaraba is primarily focused on financing business. Our endeavor to optimize the utilization of our own resources as well as controlled leveraging of the balance sheet to book and gradually build good quality assets portfolio continues. The current economic situation along with a very competitive environment for Islamic Financial Products has resulted a very challenging outlook for the Modaraba. The Management of your Modaraba is proactively studying available options which would best protect and preserve certificate holders' interest in the future. The Modaraba has also approached the State Bank of Pakistan for concessional financing which they have introduced for SME Sector. We are fully geared to maintain this upward trend and Inshah Allah foresee to achieve better results, and to pay progressive return to the certificate holders of the Modaraba.

Acknowledgments

The Modaraba has enjoyed the valuable guidance and support of the Registrar Modarabas and the Securities & Exchange Commission of Pakistan during the period under review and wishes to enjoy the same in future as well. The sincere and efficient efforts of the staff are also appreciated.

For and on behalf of the Board.

Chief Executive
Saiyed Faiq Hussain

Dated: February 23, 2018
Karachi.



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ڈائریکٹرز کی رپورٹ برائے نصف سال 31 دسمبر 2017

پاپولر اسلامک مضارباہ منیجمنٹ کمپنی (پرائیویٹ) لمیٹڈ جو پاپولر اسلامک مضارباہ کی منیجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز نے سرٹیفکیٹ ہولڈرز کو بہ سرت ڈائریکٹرز کی رپورٹ مع مضارباہ کے نصف سال کے جائزہ گوشوارے برائے نصف سال 31 دسمبر 2017 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

برائے دسمبر 2016	برائے دسمبر 2017	
----- (روپے) -----		
16,460,547	15,723,378	آمدنی
(3,192,984)	(4,091,181)	آپریٹنگ اخراجات
<u>(12,664,681)</u>	<u>(10,319,010)</u>	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپری سی ایشن)
602,882	1,313,187	آپریٹنگ نفع
1,192,321	482,335	دیگر آمدنی
<u>1,795,203</u>	<u>1,795,523</u>	نفع قبل از منیجمنٹ فیس
(179,520)	(179,552)	منیجمنٹ فیس
(28,723)	(26,933)	منیجمنٹ فیس پر سبزیٹس
<u>1,586,960</u>	<u>1,589,037</u>	نفع قبل از ٹیکس
-	-	ٹیکس
<u>1,586,960</u>	<u>1,589,037</u>	نفع بعد از ٹیکس
0.16	0.16	آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ:

ہم نے اس مالیاتی سال کا نصف حصہ کامیابی کے ساتھ مکمل کر لیا ہے۔ کاروباری حجم کے لحاظ سے یہ مدت بہت بہتر رہی۔ جبکہ اسلامک فنانس انڈسٹری میں دیگر اداروں کے مقابل اسپرڈ اور منافع کی شرح کو متوازن رکھنا مشکل کام ہے۔ ہمارا شرح منافع نسبتاً کم ہے۔ جسکی وجہ سے آمدنی مسلسل دباؤ کا شکار رہتی ہے لیکن کاروبار کے حجم میں اضافہ سے ہم آمدنی کا تناسب کسی حد تک قائم رکھے ہوئے ہیں۔

زیر جائزہ مدت کے دوران مضارباہ کی مجموعی کارکردگی تسلی بخش رہی۔ اس نصف سال کی آمدنی 15,723 ملین روپے رہی جبکہ گزشتہ سال کی آمدنی 16,460 ملین روپے تھی۔ جبکہ نفع قبل از منیجمنٹ فیس 1,795 ملین روپے جو کہ پچھلے سال کے برابر ہی ہے۔ نتیجتاً اس نصف سال کا خالص منافع 1,589 ملین روپے رہا جو کہ پچھلے نصف سال میں 1,586 ملین روپے تھا۔ فی سرٹیفکیٹ آمدنی 0.16 روپے رہی جو کہ گزشتہ نصف سال کی فی سرٹیفکیٹ آمدنی کے برابر ہی ہے۔ مضارباہ نے اپنے پورٹ فولیو کو ڈیمینشنگ مشارکہ پر منتقل کرتے ہوئے اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپری سی ایشن) میں بھی کمی کی ہے جو کہ پچھلے سال 12,664 ملین سے کم ہو کر 10,319 ملین ہو گئے۔ زیر جائزہ مدت کے دوران مضارباہ نے ڈیمینشنگ مشارکہ اور مرابحہ فنانسنگ میں بھی اضافہ کیا ہے۔ مضارباہ کے کلائنٹس میں ملٹی نیشنل، بڑے اور درمیانے مقامی کارپوریٹ اور مخصوص ایس ایم ای شامل ہیں۔



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مستقبل کے امکانات:

بنیادی طور پر مضاربہ کی توجہ فنانسنگ کے کاروبار پر ہے۔ ہماری کوشش ہے کہ اپنے وسائل کو استعمال کرتے ہوئے اپنی ہیلتھ شیٹ کو بہتر بنائیں اور آہستہ آہستہ معیاری اثاثہ جات کا پورٹ فولیو بناتے رہیں۔ موجودہ اقتصادی صورتحال خاص طور پر منافع کی گرتی ہوئی شرح اور اس کے ساتھ ساتھ اسلامی مالیاتی مصنوعات کا مسابقتی ماحول مضاربہ کے لئے ایک مشکل صورتحال پیدا کر رہا ہے۔ آپ کے مضاربہ کی انتظامیہ ان تمام دستیاب آچیز پر تحقیق کر رہی ہے جن سے مستقبل میں سرٹیفکیٹ ہولڈرز کے مفادات کا تحفظ کیا جاسکے۔ اسٹیٹ بینک آف پاکستان نے ایس ایم ای سیکٹر کے فروغ کیلئے کم شرح منافع کی فنانسنگ متعارف کروائی ہے جس کے حصول کیلئے مضاربہ کوشش کر رہا ہے۔ ہم مضاربہ کے نظام کو بہتر کرنے کے لئے ہر ممکن کوشش کر رہے ہیں۔ انشاء اللہ ہم اس اضافہ کے رجحان کو برقرار رکھیں گے اور مستقبل میں اپنے غلطیٹ ہولڈرز کو بھانڈگی سے منافع بھی ادا کریں گے۔

اعتراف:

اس نصف سال کے دوران مضاربہ منگور ہے رجسٹرڈ مضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، این بی ایف آئی اینڈ مضاربہ ایسوسی ایشن آف پاکستان اور اپنے تمام ملازمین کی رہنمائی اور تعاون کا اور مستقبل میں بھی اس کی امید رکھتا ہے۔

مختار بورڈ

سید فائق حسین

چیف ایگزیکٹو

23 فروری 2018



POPULAR ISLAMIC MODARABA

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INDEPENDENT REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE CERTIFICATE HOLDERS OF POPULAR ISLAMIC MODARABA


BAKER TILLY
MEHMOOD IDREES
QAMAR
CHARTERED ACCOUNTANTS

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POPULAR ISLAMIC MODARABA AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Popular Islamic Modaraba** (the Modaraba) as at December 31, 2017 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (*here-in-after referred to as the "condensed interim financial information"*). The Modaraba Management Company [Popular Islamic Modaraba Management Company (Private) Limited] is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at December 31, 2017 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.




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BAKER TILLY
INTERNATIONAL

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Other Matter

The condensed interim financial information of the Modaraba for the half year ended December 31, 2016 and financial statements for the year ended June 30, 2017 were respectively reviewed and audited by another firm of Chartered Accountants who had expressed qualified conclusion and opinion respectively.

Engagement Partner: Mehmoood A. Razzak

Karachi.

Date: February 23, 2018





POPULAR ISLAMIC MODARABA
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CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2017

ASSETS	Note	(Un-audited)	(Audited)
		December 2017 Rupees	June 2017 Rupees
Non - Current Assets			
Property and equipment - owned	5	23,108	5,539
Property, plant and equipment - ijarah	6	53,177,627	98,934,052
Murabaha finance - secured	7	1,346,135	2,251,359
Modaraba finance	8	-	250,000
Long term investment - diminishing musharakah	9	23,763,711	6,768,382
		78,310,581	108,209,332
Current Assets			
Current portion long term investment-diminishing musharakah	9	8,401,394	4,057,869
Investment at fair value through profit and loss	10	7,060,024	7,867,679
Short term morabaha finance	7	18,207,109	8,962,355
Short term modaraba finance	8	1,000,000	750,000
Advances and other receivables		7,886,218	22,499,578
Cash and bank balances	11	6,687,923	6,458,656
		49,242,668	50,596,137
		127,553,249	158,805,468
EQUITY AND LIABILITIES			
Authorized certificate capital			
14,000,000 Modaraba certificate of Rs. 10/- each		140,000,000	140,000,000
Certificate holders' equity			
Certificate capital	12	100,000,000	100,000,000
Statutory reserves		17,261,218	17,261,218
Accumulated (loss)		(37,078,109)	(38,667,146)
		80,183,109	78,594,072
Non - Current Liabilities			
Security deposits against ijarah	13	13,457,130	49,841,830
Current Liabilities			
Current portion of security deposits against ijarah	13	6,481,800	2,991,900
Accrued and other liabilities		283,590	437,514
Charity payable		983	-
Provision for taxation		345,586	345,586
Unclaimed profit distribution		984,649	984,649
Loan from management company		25,000,000	25,000,000
Management fee payable		709,915	530,363
Sales tax on management fee		106,487	79,554
		33,913,010	30,369,566
Contingencies and commitments			
	14	127,553,249	158,805,468

The annexed notes form an integral part of this condensed interim financial information.

For Popular Islamic Modaraba Management Company (Private) Limited
(Management Company)

 Chief Financial Officer
 Chief Executive Officer
 Director
 Director



POPULAR ISLAMIC MODARABA
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CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	Note	HALF YEAR ENDED		QUARTER ENDED	
		December 2017 Rupees	December 2016 Rupees	December 2017 Rupees	December 2016 Rupees
Income	15	15,723,378	16,460,547	7,869,036	10,121,326
Operating expenses		(4,091,181)	(3,192,984)	(1,856,091)	(1,489,370)
Depreciation of ijarah assets		(10,319,010)	(12,664,681)	(5,559,319)	(8,822,990)
		(14,410,191)	(15,857,665)	(7,415,410)	(10,312,360)
Other income	16	1,289,990	132,009	1,143,797	132,009
Unrealised gain/(loss) on remeasurement of investments at fair value through profit and loss		(807,655)	1,060,312	(697,070)	742,515
Profit before management fee		1,795,523	1,795,203	900,354	683,490
Management fee		(179,552)	(179,520)	(90,035)	(68,349)
Sales tax on management fee		(26,933)	(28,723)	(13,505)	(10,936)
Profit before taxation		1,589,037	1,586,960	796,813	604,205
Taxation		-	-	-	-
Profit for the period		1,589,037	1,586,960	796,813	604,205
Other comprehensive income		-	-	-	-
Total comprehensive income		1,589,037	1,586,960	796,813	604,205
Earnings per certificate - basic & diluted	17	0.16	0.16	0.08	0.06

The annexed notes form an integral part of this condensed interim financial information.

For Popular Islamic Modaraba Management Company (Private) Limited
(Management Company)

 Chief Financial Officer
 Chief Executive Officer
 Director
 Director



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INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	December 2017 Rupees	December 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,589,037	1,586,960
Adjustments for non cash items:		
Unrealised gain/(loss) on remeasurement of investment at fair value through profit and loss	807,655	(1,060,312)
Depreciation	2,431	5,776
Gain on termination	(30,839)	-
Gain on disposal	(1,086,928)	(1,439)
Depreciation of assets leased out under ijarah	10,319,010	12,664,681
	<u>11,600,366</u>	<u>13,195,666</u>
Decrease in current assets		
Advances and other receivables	14,613,361	2,108,437
Increase/(decrease) in current liabilities		
Accrued and other liabilities	(153,924)	(58,389)
Charity payable	983	-
Management fee payable	179,552	179,520
Sales tax on management fee	26,933	28,723
	<u>26,267,271</u>	<u>15,453,957</u>
Cash generated from operations		
Tax paid	-	-
Net cash generated from operating activities	<u>26,267,271</u>	<u>15,453,957</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property and equipment - owned	(20,000)	-
Additions in property, plant and equipment - Ijarah	(9,192,000)	-
Disposal of fixed assets-ijarah	3,140,223	525,001
Security deposit from ijarah	(2,894,800)	1,269,740
Investment in Modaraba finance	-	168,000
Investment in Morabaha finance	(8,339,530)	(1,380,830)
Rentals received against diminishing musharakah	(8,731,897)	(8,758,687)
Net cash (used in) investing activities	<u>(26,038,004)</u>	<u>(8,176,776)</u>
Net increase in cash and cash equivalents	<u>229,267</u>	<u>7,277,181</u>
Cash and cash equivalents at the beginning of the period	6,458,656	3,035,351
Cash and cash equivalents at the end of the period	<u>6,687,923</u>	<u>10,312,532</u>

The annexed notes form an integral part of this condensed interim financial information.

For Popular Islamic Modaraba Management Company (Private) Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director



POPULAR ISLAMIC MODARABA
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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2017-(Un-audited)

	Certificate Capital	Statutory Reserves	Accumulated (Loss)	Total
	Rupees			
Balance as at July 01, 2016	100,000,000	16,345,045	(42,331,838)	74,013,207
Total comprehensive income for the period	-	-	1,586,960	1,586,960
Balance as at December 31, 2016	<u>100,000,000</u>	<u>16,345,045</u>	<u>(40,744,878)</u>	<u>75,600,167</u>
Balance as at July 01, 2017	100,000,000	17,261,218	(38,667,146)	78,594,072
Total comprehensive income for the period	-	-	1,589,037	1,589,037
Balance as at December 31, 2017	<u>100,000,000</u>	<u>17,261,218</u>	<u>(37,078,109)</u>	<u>80,183,109</u>

The annexed notes form an integral part of these condensed interim financial information.

For Popular Islamic Modaraba Management Company (Private) Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017**

1. LEGAL STATUS AND OPERATIONS

1.1 Popular Islamic Modaraba (the Modaraba) is a multipurpose, perpetual Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed there under and is managed by the Popular Islamic Modaraba Management Company (Private) Limited (the Modaraba Management Company) (Formerly by Islamic Investment Bank Limited - under liquidation), a company incorporated in Pakistan under the Companies Ordinance, 1984 and registered with Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 813, 8th Floor, Chappal Plaza, Hasrat Mohani Road, Off I.I.Chundrigar Road, Karachi. The Modaraba is listed on the Pakistan Stock Exchange.

The Modaraba is engaged in various Islamic modes of financing and business including leasing, musharaka, murabaha arrangements, trading in listed securities and other commodities.

1.2 In the year 2013-2014, Popular Islamic Modaraba Management Company (Private) Limited purchased the entire shareholding of Islamic Investment Bank Limited along with management and assets of the "First Islamic Modaraba" and the same has been confirmed by the Peshawar High Court vide its order dated March 11, 2013.

In the year 2014-2015, the name of the Modaraba has been changed from First Islamic Modaraba to Popular Islamic Modaraba.

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, 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, IFASs, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, IFASs, Modaraba Companies and Modaraba Rules, 1981, or the directives issued by SECP shall prevail.

2.2 The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial information does not include all the information required for a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2017.

2.3 The comparative balance sheet presented in these condensed interim financial information as at December 31, 2017 has been extracted from the audited financial statements of the Modaraba for the year ended June 30, 2017, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the half year ended December 31, 2016 have been extracted from the unaudited condensed interim financial information for the period then ended.

2.4 These condensed interim financial information comprise of the balance sheet as at December 31, 2017 and statement of profit or loss and other comprehensive income, the cash flow statement and statement of changes in equity for the half year ended December 31, 2017 which have been subjected to a review but not audited.



3. BASIS OF PREPARATION

This condensed interim financial information comprises of the condensed interim balance sheet as at December 31, 2017 and the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity and the notes forming part thereof for the half year ended December 31, 2017 which have been subjected to a review but not audited.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2017 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2016 whereas the comparative condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year ended December 31, 2017 have been extracted from the condensed interim financial information for the half year ended December 31, 2016 which were reviewed but not audited.

4. ACCOUNTING POLICIES AND COMPUTATION METHOD

The accounting policies adopted by the Modaraba in the preparation of these condensed interim financial information are the same as those applied in preparation of the preceding published financial statements of the Modaraba for the year ended June 30, 2017.

5. PROPERTY AND EQUIPMENT - OWNED

	(Un-audited) December 2017 Rupees	(Audited) June 2017 Rupees
Opening net book value	5,539	12,260
Additions	20,000	-
Disposals	-	-
Depreciation charged	(2,431)	(6,721)
Net book value	23,108	5,539

6. PROPERTY, PLANT AND EQUIPMENT - IJARAH

Opening net book value	98,934,052	106,292,592
Additions	9,192,000	24,302,300
Disposals	(44,629,415)	(8,608,773)
Depreciation charged	(10,319,010)	(23,052,067)
Net book value	53,177,627	98,934,052

7. MURABAHA FINANCE - SECURED

Considered good	19,553,244	11,213,714
Less: Current portion of murabaha finance	(18,207,109)	(8,962,355)
	1,346,135	2,251,359

8. MODARABA FINANCE

Modaraba finance	1,000,000	1,000,000
Less: Current portion of modaraba finance	(1,000,000)	(750,000)
	-	250,000

9. LONG TERM INVESTMENT - DIMINISHING MUSHARAKAH

Investment	32,165,105	10,826,251
Less: Current portion of long term loan - diminishing musharakah	(8,401,394)	(4,057,869)
	23,763,711	6,768,382



POPULAR ISLAMIC MODARABA
An Islamic Financial Institution

	Musharaka	Ijarah	Morabaha	Modaraba	Others	Total
Rupees						
Other information						
Capital expenditure	26,357,958	9,192,000	13,478,324	-	-	49,028,282
Depreciation	-	10,319,010	-	-	-	10,319,010
Assets and liabilities						
Segment assets	32,165,105	53,177,627	19,553,244	1,000,000	13,771,055	119,667,031
Unallocated	-	-	-	-	7,886,218	7,886,218
Total segment assets	32,165,105	53,177,627	19,553,244	1,000,000	21,657,273	127,553,249
Segment liabilities						
Security deposits	-	19,938,930	-	-	25,000,000	44,938,930
Unallocated liabilities	-	-	-	-	2,431,210	2,431,210
Total segment liabilities	-	19,938,930	-	-	27,431,210	47,370,140
Total net assets						80,183,109

As At June 30, 2017						
	Musharaka	Ijarah	Morabaha	Modaraba	Others	Total
Rupees						
Other information						
Capital expenditure	10,035,000	24,302,300	7,218,433	-	-	41,555,733
Depreciation	-	23,052,067	-	-	-	23,052,067
Assets and liabilities						
Segment assets	10,826,251	98,934,052	11,213,714	1,000,000	14,331,876	136,305,893
Unallocated	-	-	-	-	22,499,576	22,499,576
Total segment assets	10,826,251	98,934,052	11,213,714	1,000,000	36,831,452	158,805,469
Segment liabilities						
Security deposits	-	52,833,730	-	-	-	52,833,730
Unallocated liabilities	-	-	-	-	27,377,667	27,377,667
Total segment liabilities	-	52,833,730	-	-	27,377,667	80,211,397
Total net assets						78,594,072

19. RELATED PARTY TRANSACTIONS

The related party comprises of associated undertakings, directors of the Modaraba Management Company. The Modaraba, in the normal course of business carries out transaction with these related parties. Significant transactions with related parties are as follows:-



POPULAR ISLAMIC MODARABA
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Nature of Transaction	Relationship with the company	(Un-audited)	(Un-audited)
		December 2017	December 2016
Management fee for the period	Management company	179,552	179,520
Balance as at the year end			
Payable to Modaraba Management Company	Management company	25,179,552	25,179,520

20. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

The modaraba's financial risk management objectives and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2017.

21. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorized for issue in accordance with resolution of the Board of Directors of the Modaraba Management Company on February 23, 2018.

22. GENERAL

22.1 Figures have been rounded off to the nearest rupee.

22.2 Figures have been reclassified and re-arranged where necessary.

For Popular Islamic Modaraba Management Company (Private) Limited
(Management Company)


Chief Financial Officer
 
Chief Executive Officer
 
Director
 
Director

If undelivered please return to :
Popular Islamic Modaraba
15 floor Chappal Plaza, Hasrat Mohani Road, Off. I.I. Chundrigar
Road, Karachi-74000, Pakistan



Popular Islamic Modaraba

An Islamic Financial Institution

**HALF YEAR ENDED
DECEMBER 31, 2017**

Managed by :

Popular Islamic Modaraba
Management Company (Pvt.) Ltd
