



FIRST ISLAMIC MODARABA
An Islamic Financial Institution

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015**

Description	Certificate Capital	Statutory Reserve	Accumulated profit	Total
Balance as at June 30, 2013	100,000,000	15,236,919	9,531,921	124,768,840
Profit for the year	-	-	1,426,560	1,426,560
Transferred to statutory reserve	-	285,312	(285,312)	-
Balance as at June 30, 2014	100,000,000	15,522,231	10,673,169	126,195,400
Profit for the period	-	-	2,274,351	2,274,351
Transferred to statutory reserve	-	-	-	-
Balance as at March 31, 2015	100,000,000	15,522,231	12,947,520	128,469,751

Chief Executive

Chief Financial Officer

**INTERIM CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015**

1. LEGAL STATUS AND NATURE OF BUSINESS

First Islamic Modaraba is a multipurpose, perpetual Modaraba formed under the Modaraba 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 (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 Islamabad Stock Exchange.

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

2. 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, the Modaraba Rules 1981 and directives issued by the SECP differ with the requirements of IFRS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules 1981 or directives issued by the SECP prevail.

3. BASIS OF MEASUREMENT AND PREPARATION

These financial statements have been prepared under the historical cost convention except for certain financial assets which are stated at fair value.

These Condensed Interim Financial Information are unaudited and being submitted to Certificate Holders as required under Rule 10 of Modaraba Companies and Modaraba Rules 1981.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in preparation of these condensed interim financial information are the same as those applied in preparing the financial statements for the year ended June 30, 2014.



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5. PROPERTY AND EQUIPMENTS - OWNED

	Un-audited March 2015 Rupees	Audited June 2014 Rupees
Cost	71,150	71,150
Less: Accumulated Depreciation	32,111	16,054
	<u>39,039</u>	<u>55,096</u>

6. PROPERTY AND EQUIPMENTS - IJARAH

	Un-audited March 2015 Rupees	Audited June 2014 Rupees
Cost	15,028,000	-
Additions	32,432,000	15,028,000
Less: Accumulated Depreciation	7,417,208	874,923
	<u>40,042,792</u>	<u>14,153,077</u>

7 CONTINGENCIES AND COMMITMENTS

There are no material change in contingencies and commitments as disclosed in the annual financial statements for the year ended June 30, 2014.

8 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include a subsidiary company, associated companies with or without common directors, retirement benefits funds, directors and key management personnel.

The Modaraba has related party relationships with the Modaraba Management Company, Associated Undertakings and its key Management Personnel.

The detail of transactions with related parties and balances with them, apart from compensation to executives, is given below.

Relationship with the Modaraba	Nature of Transactions	Un-audited March 2015 Rupees	Audited June 2014 Rupees
Popular Islamic Modaraba Management Company (Pvt.) Ltd.	Management Fee Accrued	426,596	169,317

These condensed interim financial information was authorised for issue on April 25, 2015 by the Board of Directors of the Popular Islamic Modaraba Management Company (Pvt.) Limited.

9 GENERAL

Figures have been rounded off to the nearest Rupee.

The annexed notes from 1 to 09 form an integral part of these condensed interim financial information.

Chief Executive

Director

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First Islamic Modaraba
An Islamic Financial Institution

**Quarterly Accounts
March 31, 2015
(Un-Audited)**

Managed by :
Popular Islamic Modaraba
Management Company (Pvt.) Ltd

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



DIRECTORS' REPORT

The Board of Directors of the Popular Islamic Modaraba Management Company (Pvt.) Limited, the Management Company of First Islamic Modaraba (the Modaraba) is pleased to present the Directors' Report of the Modaraba, together with Condensed Interim Financial Information for the Nine Months period and three months period ended March 31, 2015.

Review of Operations

By the grace of Almighty Allah, the Modaraba was able to achieve profit after tax Rs. 2.274 million resultantly, earning per certificate of Rs.0.23 as compared to Rs 1.100 million and Rs 0.11 of the corresponding period of previous nine months ended respectively. Further, during the nine months period ended the Modaraba has made further investment in Ijarah finance amounting to Rs. 32.432 million at competitive rates which will yield better return in future ahead.

The summarized financial results for the nine months period ended March 31, 2015 are as under:

	March 31, 2015 Rupees	March 31, 2014 Rupees
Income	11,416,603	4,157,766
Profit before tax	2,274,351	1,103,492
Taxation	-	-
Profit after taxation	2,274,351	1,103,492

Future outlook

Due to further decrease in discount rate by 100bps in the month of January 2015 by the SBP, the rate of KIBOR in money market has also reduced. This resulted in stiff competition at better rates for the Modarabas. Since our major financing portfolio is based on floating rate linked with KIBOR, therefore, we expect slight profits reduction in coming month. However, we try our level best to manage the profitability through increase of volume of investment of IJARAH so that we can achieve our desired profit targets.

Acknowledgments

The Modaraba has enjoyed the invaluable guidance and support of Registrar Modarabas and the Securities & Exchange Commission of Pakistan during the period under review and wishes to enjoy the same in future as well.

Chief Executive
Saiyed Faiq Hussain

March 31, 2015
Karachi.

INTERIM CONDENSED BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2015

Note	Un-audited March 2015 Rupees	Audited June, 2014 Rupees
ASSETS		
NON - CURRENT ASSETS		
Property and equipment - owned	5 39,039	55,096
Property, plant and equipment - ijarah	6 40,042,792	14,153,077
CURRENT ASSETS		
Investments - held for trading	7,740,883	7,313,571
Short term morabaha finance	4,802,682	2,202,682
Short term modaraba finance	20,000,000	45,000,000
Short term musharaka finance	45,000,000	45,000,000
Advances and other receivables	13,369,833	14,072,930
Cash and bank balances	9,776,382	4,583,277
	100,689,780	118,172,460
TOTAL ASSETS	140,771,611	132,380,633
LIABILITIES		
NON-CURRENT LIABILITIES		
Security deposits against Ijarah	7,465,100	1,502,800
CURRENT LIABILITIES		
Accrued and other liabilities	2,953,203	3,097,321
Provision for taxation	404,055	404,055
Unclaimed profit distribution	984,649	984,649
Management fee payable	426,596	169,317
Sales tax on management fee	68,257	27,091
TOTAL LIABILITIES	4,836,760	4,682,433
NET ASSETS	128,469,751	126,195,400
REPRESENTED BY		
CAPITAL AND RESERVES		
Authorized certificate capital		
14,000,000 (2013: 14,000,000)	140,000,000	140,000,000
modaraba certificates of Rs. 10 each		
Certificate holders' equity	100,000,000	100,000,000
Certificate capital	15,522,231	15,522,231
Statutory reserve	12,947,520	10,673,169
Accumulated profit	28,469,751	26,195,400
CONTINGENCIES & COMMITMENTS	7 -	-
	128,469,751	126,195,400

Chief Executive

Director

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS PERIOD AND THREE MONTHS PERIOD ENDED MARCH 31, 2015

	Nine months ended		Three months ended	
	March 2015	March 2014	March 2015	March 2014
Rupees.....			
Income	11,416,603	4,157,766	4,204,897	1,221,124
Operating expenses	(2,728,836)	(2,909,472)	(833,829)	(1,217,283)
Depreciation of Ijarah Assets	(6,542,285)	-	(2,791,677)	-
Operating profit	2,145,483	1,248,294	579,391	3,841
Unrealized gain on re-measurement of investments at fair value through profit or loss	427,312	-	427,312	-
Profit before management fee	2,572,795	1,248,294	1,006,703	3,841
Management fee	(257,279)	(124,829)	(100,670)	(384)
Sales tax on management fee	(41,165)	(19,973)	(16,107)	(61)
Profit before taxation	2,274,351	1,103,492	889,925	3,395
Taxation	-	-	-	-
Profit after taxation	2,274,351	1,103,492	889,925	3,395
Other comprehensive income	-	-	-	-
Total comprehensive income	2,274,351	1,103,492	889,925	3,395
Earnings per certificate - basic & diluted	0.23	0.11	0.09	0.00

INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Un-audited Sept. 2014 Rupees	Un-audited June 2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	803,211	3,381,245
Adjustments for:		
Depreciation	5,930	-
Amortization on assets leased out under Ijarah	1,289,769	845,325
	1,295,699	845,325
Operating profit before working capital changes	2,098,910	4,226,570
(Increase) / Decrease in current assets		
Short term modaraba finance	15,000,000	(45,000,000)
Advance against Ijarah	1,012,477	-
	16,012,477	(45,000,000)
Increase / (Decrease) in current liabilities		
Accrued & other liabilities	4,202,005	16,606,168
Cash generated from operation	22,313,392	(24,167,262)
CASH FLOW FROM OPERATING ACTIVITIES		
Dividend received	-	-
Tax paid	-	-
	-	-
Net cash used in operating activities	-	-
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipments	(20,626,000)	(71,150)
	(20,626,000)	(71,150)
CASH FLOW FROM FINANCING ACTIVITIES		
Net increase in cash & cash equivalent	1,687,392	(24,238,412)
Cash and cash equivalents at the beginning of the period	4,578,833	28,817,245
Cash and cash equivalents at the end of the period	6,266,227	4,578,833

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

Chief Executive

Director