



**FIRST ISLAMIC MODARABA**  
An Islamic Financial Institution

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY  
(UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Certificate Capital	Statutory Reserve	Accumulated profit	Total
Balance as at June 30, 2014	100,000,000	15,522,231	10,673,169	126,195,400
Profit for the year	-	-	4,114,072	4,114,072
Transferred to statutory reserve	-	822,814	(822,814)	-
<b>Balance as at June 30, 2015</b>	<b>100,000,000</b>	<b>16,345,045</b>	<b>13,964,427</b>	<b>130,309,472</b>
Profit for the period	-	-	741,052	741,052
Transferred to statutory reserve	-	-	-	-
<b>Balance as at September 30, 2015</b>	<b>100,000,000</b>	<b>16,345,045</b>	<b>14,705,479</b>	<b>131,050,523</b>

Chief Executive

Chief Financial Officer

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

1.1 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 IJ, Chundrigar Road, Karachi. The Modaraba is listed on the Islamabad Stock Exchange.

**2. BASIS OF PREPARATION**

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 and have been prepared in accordance with International Accounting Standard (IAS)-34 "Interim Financial Reporting" as applicable in Pakistan.

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

	Un-audited Sept. 2015 Rupees	Audited June 2015 Rupees
<b>4. PROPERTY AND EQUIPMENTS</b>		
<b>Owned assets</b>		
Cost	71,150	71,150
Less: Accumulated Depreciation	(42,834)	(37,444)
	28,316	33,706
<b>Ijarah/Leased-Property, Plant and Equipment</b>		
Cost	46,460,000	15,028,000
Addition	13,714,000	32,432,000
Less: Accumulated Depreciation	(15,659,890)	(12,094,273)
	44,514,110	35,365,727
	44,542,426	35,399,433



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**4.1 Ijarah/Leased-Property and Equipment**

Following additions in assets leased out, at cost, were made during the period:

	Un-audited Sept. 2015 Rupees	Audited June 2015 Rupees
	<b>Additions</b>	
Equipments	1,550,000	9,328,000
Vehicles	12,164,000	38,132,000
	13,714,000	47,460,000

**5. CONTINGENCIES AND COMMITMENTS**

These are no material change in the contingencies and commitments as disclosed in the annual financial statements for the year ended June 30, 2015.

**6 RELATED PARTY TRANSACTION**

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	Un-audited Sept. 2015 Rupees	Audited June 2015 Rupees
<b>Nature of Transactions</b>		
Popular Islamic Modaraba Management Management Fee Accrued Company (Pvt.) Ltd.	89,564	452,254

These condensed interim financial information was authorised for issue on October 30, 2015 by the Board of Directors of the Popular Islamic Modaraba Management Company (Pvt.) Limited.

**7. GENERAL**

Figures have been rounded off to the nearest Rupee.

The annexed notes from 1 to 7 form an integral part of these condensed interim financial information.

Chief Executive

Chief Financial Officer

BOOK - POST



**First Islamic Modaraba**  
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**Quarterly Accounts  
September 30, 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.J. Chundrigar  
Road, Karachi-74000, Pakistan



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**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 for the Quarter ended September 30, 2015

**Review of Operations:**

By the grace of Almighty Allah, the Modaraba was able to achieve Income of Rs.5.06 million which has 60% increased as compared to the income of September 2014. The expenses amounted to Rs.4.46 million as compared to Rs.2.25 million of the corresponding period of the last year. This increase was mainly due to increased depreciation of Ijarah Assets. The profit after tax amounted to Rs.741,052/- which was a little lower than the corresponding period of the last year mainly due to decline in profit rates. The EPC, therefore, also slightly declined. During the quarter, Modaraba has made further investment in Ijarah finance at competitive rates which will increase profit in future.

The summarized financial results for the quarter ended September 30, 2014 are as under:

	September 30, 2015	September 30, 2014
	Rupees	
Income	5,069,584	3,165,056
Total Expenses	4,464,670	2,256,446
Profit before taxation	791,747	803,211
Taxation	(50,695)	-
<b>Profit after taxation</b>	<b>741,052</b>	<b>803,211</b>
<b>Earning per certificate - basic &amp; diluted</b>	<b>0.07</b>	<b>0.08</b>

**Future Outlook:**

Due to further decrease in discount rate, the rate of KIBOR in money market has also reduced. This has resulted tough competition. As our major financing portfolio is based on floating rate, linked with KIBOR, we expect slight profit reduction in coming months. However, we will endeavour to manage the profitability through increase of volume of investment of Ijarah so that we could achieve our desired profit target.

**Acknowledgement:**

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

For and on behalf of the Board

**Chief Executive Officer**  
**S. Faiz Husain**

October 30, 2015  
Karachi.



**FIRST ISLAMIC MODARABA**  
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**INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2015**

Note	Un-audited Sept. 2015 Rupees	Un-audited June, 2015 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property and equipment - owned	4 28,316	33,706
Property, plant and equipment - ijarah	4 45,514,110	35,365,727
Morabaha Finance	1,950,000	1,950,000
Long Term Investment-Diminishing Musharaka	5,840,087	5,840,087
<b>CURRENT ASSETS</b>	<b>6,506,706</b>	<b>8,476,479</b>
Investments - held for trading	2,852,882	2,852,882
Short term morabaha finance	10,000,000	20,000,000
Short term modaraba finance	45,000,000	45,000,000
Short term musharaka finance	589,602	686,136
Current portion of Diminishing Musharaka	15,840,038	15,522,555
Advances and other receivables	10,218,530	4,737,829
Cash and bank balances	91,007,558	97,275,681
<b>TOTAL ASSETS</b>	<b>144,340,071</b>	<b>140,465,201</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Security deposits against Ijarah	10,589,470	7,836,100
<b>CURRENT LIABILITIES</b>		
Accrued and other liabilities	509,365	283,506
Provision for taxation	554,986	504,291
Unclaimed profit distribution	984,649	984,549
Management fee payable	541,818	452,254
Sales tax on management fee	109,259	94,929
<b>TOTAL LIABILITIES</b>	<b>2,700,077</b>	<b>2,319,629</b>
<b>NET ASSETS</b>	<b>131,050,524</b>	<b>130,309,472</b>
<b>REPRESENTED BY CAPITAL AND RESERVES</b>		
<b>Authorized certificate capital</b>		
14,000,000 (2013: 14,000,000) modaraba certificates of Rs. 10 each	140,000,000	140,000,000
<b>Certificate holders' equity</b>		
Certificate capital	100,000,000	100,000,000
<b>Statutory reserve</b>		
Statutory reserve	16,345,045	16,345,045
Accumulated profit	14,705,479	13,964,427
	31,050,524	30,309,472
<b>CONTINGENCIES &amp; COMMITMENTS</b>		
	-	-
	131,050,524	130,309,472

Chief Executive

Chief Financial Officer



**FIRST ISLAMIC MODARABA**  
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**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Un-audited Sept. 2015 Rupees	Un-audited Sept. 2014 Rupees
<b>Income</b>	<b>5,069,584</b>	<b>3,165,056</b>
Operating expenses	(899,053)	(966,677)
Depreciation of Ijarah Assets	(3,565,617)	(1,289,769)
Operating profit	604,914	908,610
Liabilities no more	-	-
Unrealized gain on re-measurement of investments at fair value through profit or loss	290,727	-
Workers' welfare fund	-	-
Profit before management fee	895,641	908,610
Management fee	(89,564)	(90,861)
Sales tax on management fee	(14,330)	(14,538)
Profit before taxation	791,747	803,211
Taxation- Prior year	-	-
Taxation- Current year	(50,695)	-
Profit after taxation	741,052	803,211
Other comprehensive income	-	-
Total comprehensive income	741,052	803,211
Earnings per certificate - basic & diluted	0.07	0.08

Chief Executive

Chief Financial Officer



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**INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Un-audited Sept. 2015 Rupees	Un-audited Sept. 2014 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	791,747	803,211
<b>Adjustments for:</b>		
Un realised gain on remeasurement of investment	(290,727)	-
Depreciation expense	5,390	5,930
Amortization of assets leased out under Ijarah	3,565,617	1,289,769
	3,280,280	1,295,699
Operating profit before working capital changes	4,072,027	2,098,910
<b>(Increase) in current assets</b>		
Advances and other receivables	(317,483)	1,012,477
<b>Increase / (Decrease) in current liabilities</b>		
Accrued & other liabilities	225,862	4,202,005
Management fee payable	89,564	-
Sales tax on management fee	14,330	-
	329,756	4,202,005
<b>Cash flow after working capital changes</b>	<b>4,084,300</b>	<b>7,313,392</b>
Net cash generated from operating activities	4,084,300	7,313,392
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sales proceeds against disposal of shares	2,260,500	-
Purchase of fixed assets - ijarah	(13,714,000)	-
Security deposit from ijarah	2,751,387	-
Investment in modaraba finance	10,000,000	15,000,000
Rentals received against diminishing musharaka	96,534	-
Net cash generated from investing activities	1,394,401	15,000,000
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
<b>Net increase in cash &amp; cash equivalent</b>	<b>5,478,701</b>	<b>1,687,392</b>
Cash and cash equivalents at the beginning of the year	4,739,829	4,578,833
<b>Cash and cash equivalents at the end of the year</b>	<b>10,218,530</b>	<b>6,266,225</b>

Chief Executive

Chief Financial Officer