



Popular Islamic Modaraba
An Islamic Financial Institution

Quarterly Financial Information
March 31, 2024
(Un-Audited)

Managed By:

Popular Islamic Modaraba
Management Company (Private) Limited



Popular Islamic Modaraba

An Islamic Financial Institution

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CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Imamuddin Shouqeen Mr. Shahbaz Ali Malik Mr. Khurram Abdullah Mr. Malik Junaid Emam Mr. Kamran Hussain Mughal Ms. Aisha Mughal	- Chairman - Managing Director - Independent Director - Director - Director & Chief Executive - Director & Company Secretary
AUDIT COMMITTEE	Mr. Khurram Abdullah Mr. Shahbaz Ali Malik Mr. Malik Junaid Emam	- Chairman - Member - Member
HR COMMITTEE	Mr. Khurram Abdullah Mr. Malik Junaid Emam Mr. Kamran Hussain Mughal	- Chairman - Member - Member
SHARIAH ADVISOR	Al-Hamd Shariah Advisory Services (Pvt.) Limited	
COMPANY SECRETARY	Ms. Aisha Mughal	
CHIEF FINANCIAL OFFICER	Syed Hassan Abbas Zaidi	
BANKERS	Albaraka Bank (Pakistan) Limited Meezan Bank Limited	
AUDITORS	BKR International Muniff Ziauddin & Co. Chartered Accountant	
LEGAL ADVISOR	Syed Sikandar Ali Shah - Advocate M/s. Shah Associates	
MANAGEMENT COMPANY	Popular Islamic Modaraba Management Company (Pvt.) Ltd	
REGISTERED OFFICE	15th 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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DIRECTORS' REPORT

The Board of Directors of the 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 Financial Information for the Nine Months and Three Months period ended March 31, 2024.

The summarized financial results for the Quarter ended March 31, 2024 are as under:

	Mar-24	Mar-23
	------(Rupees)-----	
Income	26,352,499	19,636,932
Operating expenses	(6,299,543)	(6,272,014)
Depreciation of Ijarah Assets	(5,705,069)	(7,246,626)
Operating Profit	<u>14,347,887</u>	<u>6,118,292</u>
Other Income	1,306,159	1,199,277
Profit before Management Fee	15,654,046	7,317,569
Management fee	(782,702)	(365,878)
Sales tax on Management fee	(101,751)	(47,564)
Profit before taxation	14,769,592	6,904,127
Taxation	(4,283,182)	(1,173,702)
Profit after taxation	10,486,410	5,730,425
Earning per certificate - basic & diluted	0.75	0.41

Review of Operations:

The Modaraba has been able to achieve Income of Rs.26.352 million as of March 31, 2024 which has increased by 34% as compared to the income of corresponding period of the last year. The total expenses amounted to Rs. 12.004 million as compared to Rs. 13.518 million as of March 2023. The profit after tax during the period under review amounted to Rs.10.486 million which has increased by 83% as compared to the profit of corresponding period of the last year. The EPC worked out at Re. 0.75 per certificate. During the period the Modaraba has made further investments in Ijarah and Diminishing Musharakah finance at competitive rates which will increase profits and reserves in the foreseeable future.

Future Outlook:

Financing business is the focus of the Modaraba. Our endeavor to optimum and efficient utilization of our own resources as well as controlled leveraging of the balance sheet to book and gradually build good quality assets portfolio continues. Our emphasis will be to manage the profitability through increase of volume of investment so that we achieve our desired profit target.

Acknowledgement:

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

For and on behalf of the Board

Kamran Hussain Mughal
Director & Chief Executive Officer

Dated: April 26, 2024
Karachi.



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ڈائریکٹری کی رپورٹ برائے سرمایہ 31 مارچ 2024

پاپولر اسلامک مڈاربا پیپٹریٹ کمپنی (پبلیٹ) لمیٹڈ جو پاپولر اسلامک مڈاربا کی پیپٹریٹ کمپنی ہے، اس کے بورڈ آف ڈائریکٹرز نے سرٹیفکیٹ ہولڈرز کو پوسٹ ڈائریکٹری رپورٹ برائے سرمایہ 31 مارچ 2024 پیش کرتے ہیں۔

نمبریں ایل آئی سی کے تحت:

برائے مارچ 2023	برائے مارچ 2024	
19,636,932	26,352,499	آمدنی
(6,272,014)	(6,299,543)	آپریٹنگ اخراجات
(7,246,626)	(5,705,069)	اجارہ ٹاؤن کی فرسودگی کے اخراجات (ڈی پی سی ایٹن)
6,118,292	14,347,887	آپریٹنگ منافع
1,199,277	1,306,159	دیگر منافع
7,317,569	15,654,046	منافع قبل از منجنت فیس
(365,878)	(782,702)	منجنت فیس
(47,564)	(101,751)	منجنت فیس پر ٹیکس
6,904,127	14,769,592	منافع قبل از ٹیکس
(1,173,702)	(4,283,182)	ٹیکس
5,730,425	10,486,410	منافع بعد از ٹیکس
0.41	0.75	آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ

اس سرمایہ کی آمدنی 26.352 ملین روپے رہی جو گزشتہ سال مارچ 2023 کے مقابلے میں 34 فی صد زیادہ ہے، پچھلے سال کی آمدنی 19.636 ملین روپے تھی۔ بعد از ٹیکس منافع 10.486 ملین روپے رہا جو گزشتہ سال مارچ 2023 کے مقابلے میں 83 فی صد زیادہ ہے اس طرح آمدنی فی سرٹیفکیٹ 0.75 پیسہ کارڈ کی گئی۔ زیر جائزہ مدت کے دوران مڈاربا نے مسابقتی شرح منافع پر اجارہ اور ڈیٹیلنگ مڈاربا کے سرمایہ کاری کی ہے جس سے مستقبل قریب میں مڈاربا کی آمدنی اور زرخاز (ریزرو) میں اضافہ ہوگا۔

مستقبل کے امکانات:

مڈاربا کی توجہ فنانسنگ کے کاروبار پر مرکوز ہے۔ اپنے وسائل کا زیادہ سے زیادہ اور موثر استعمال کر کے آہستہ آہستہ پیچھے معیار کے ٹاؤن کا پورٹ فولیو بنانا تاکہ اپنی پینٹنس شیٹ کو بہتر بنایا جاسکے۔ اب ہم ترقی کی طرف گامزن ہیں اور اللہ مآلہ ترقی کے اس سفر کو جاری رکھیں گے۔ ہمارا مقصد اجارہ میں سرمایہ کاری کے حجم میں اضافہ ہے تاکہ ہم اپنے مطلوبہ منافع کا ہدف کو حاصل کر سکیں۔

متراف:

زیر جائزہ مدت کے دوران مڈاربا پر مشکو رہے رجسٹرار مڈاربا نیوکورٹیز اینڈ ایگزیکیوٹو کمیٹی آف پاکستان، این بی ایف آئی اینڈ مڈاربا ایسوسی ایشن کی رہنمائی اور اسٹاف کے تعاون کا اور مستقبل میں بھی اس کی امید رکھتا ہے۔

منوارہ نور
کاروان حسین منٹل
ڈائریکٹریٹریٹ چیف ایگزیکٹو
26 اپریل 2024



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CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2024

	Un-Audited Mar-24	Audited Jun-23
(RUPEES)		
ASSETS		
NON CURRENT ASSETS		
Property and equipment - owned	42,746	89,151
Property and equipment - ijarah	16,289,657	26,798,053
Long Term Investment-Diminishing Musharaka	108,022,158	37,249,192
Deferred tax asset-net	1,954,977	1,954,977
	126,309,538	66,091,373
CURRENT ASSETS		
Short term morabaha finance	27,994,430	46,690,348
Current portion of Diminishing Musharakah	7,911,291	38,682,456
Advances and other receivables	6,551,743	8,752,463
Cash and bank balances	50,651,651	8,412,360
	93,109,115	102,537,627
TOTAL ASSETS	219,418,653	168,629,000
EQUITY AND LIABILITIES		
Authorized certificate capital		
14,000,000 (2021: 14,000,000) modaraba	140,000,000	140,000,000
Certificate holders' equity		
Certificate capital	140,000,000	140,000,000
Statutory reserve	24,286,340	24,286,340
Accumulated (loss)/profit	(24,864,247)	(28,970,857)
	139,422,093	135,315,483
NON-CURRENT LIABILITIES		
Security deposits against Ijarah	3,823,700	5,732,200
Deferred liability	1,969,445	2,199,164
	5,793,145	7,931,364
CURRENT LIABILITIES		
Accrued and other liabilities	3,005,948	1,218,515
Current portion of security deposits	397,000	2,609,550
Charity payable	677,553	560,824
Provision for taxation	6,368,443	4,367,011
Unclaimed profit distribution	2,321,797	1,992,342
Payable to management company	60,000,000	14,000,000
Management fee payable	1,257,995	560,984
Sales Tax payable	174,679	72,928
TOTAL LIABILITIES	74,203,415	25,382,153
CONTINGENCIES & COMMITMENTS		
	-	-
	219,418,653	168,629,000

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



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CONDENSED INTERIM PROFIT OR LOSS COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND THREE MONTHS ENDED MARCH 31, 2024

	Nine months ended		Three months ended	
	Mar-24 (Rupees)	Mar-23 (Rupees)	Mar-24 (Rupees)	Mar-23 (Rupees)
Income	26,352,499	19,636,932	9,303,031	5,730,926
Operating expenses	(6,299,543)	(6,272,014)	(2,531,349)	(2,176,919)
Depreciation of Ijarah Assets	(5,705,069)	(7,246,626)	(1,354,160)	(2,607,360)
Operating profit	14,347,887	6,118,292	5,417,522	946,647
Other Income	1,306,159	1,199,277	305,238	589,935
Profit before management fee	15,654,046	7,317,569	5,722,760	1,536,582
Management fee	(782,702)	(365,878)	(286,138)	(76,829)
Sales tax on management fee	(101,751)	(47,564)	(37,198)	(9,988)
	(884,454)	(413,442)	(323,336)	(86,817)
Profit before taxation	14,769,592	6,904,127	5,399,424	1,449,765
Taxation	(4,283,182)	(1,173,702)	(1,565,833)	(246,460)
Profit after taxation	10,486,410	5,730,425	3,833,591	1,203,305
Other comprehensive income	-	-	-	-
Total comprehensive income	10,486,410	5,730,425	3,833,591	1,203,305
Earnings per certificate - basic & diluted	0.75	0.41	0.27	0.09

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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Un-Audited Mar-24	Un-Audited Mar-23
	(RUPEES)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	14,769,592	6,904,126
Adjustments for:		
Depreciation expense	46,406	55,707
Depreciation of assets leased out under ijarah	6,519,447	7,246,626
Gain on termination	(145,368)	(551,755)
	<u>6,420,485</u>	<u>6,750,578</u>
Operating profit before working capital changes	21,190,077	13,654,704
Decrease / (Increase) in current assets		
Current portion of morabaha finance	18,695,918	22,640,886
Current portion of long term investment D.M	30,771,165	59,634
Advances and other receivables	2,200,720	4,284,452
	<u>51,667,803</u>	<u>26,984,972</u>
Increase/(decrease) in current liabilities		
Accrued and other liabilities	1,787,433	702,814
Management fee payable	697,009	365,876
Sales tax on management fee	101,751	47,564
	<u>2,586,193</u>	<u>1,116,254</u>
Cash generated from operations	75,444,073	41,755,930
Gratuity paid	(229,719)	-
Net Cash generated from operations	<u>75,214,354</u>	<u>41,755,930</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets- ijarah	-	18,896,530
Ijarah assets transfer-net	(17,028,500)	(3,149,000)
Security deposit from ijarah	(4,121,000)	(2,363,400)
Investment in murabaha finance	(20,048,606)	(22,640,886)
Investment in diminishing musharakah	(31,727,291)	792,496
Net cash (used in) investing activities	<u>(72,925,397)</u>	<u>(8,464,260)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from management company	46,000,000	-
Dividend Paid	(6,049,667)	(4,756,975)
Net cash (used in) / generated from financing activities	<u>39,950,333</u>	<u>(4,756,975)</u>
Net increase in cash & cash equivalent	42,239,291	28,534,696
Cash and cash equivalents at the beginning of the year	8,412,360	2,579,156
Cash and cash equivalents at the end of the year	<u>50,651,651</u>	<u>31,113,852</u>

For Popular Islamic Modaraba Management Company (Private) Limited
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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Certificate Capital	Statutory Reserve	Accumulated profit	Total
----- (Rupees) -----				
Balance as at June 30, 2022	140,000,000	22,691,427	(30,108,910)	132,582,517
Profit for the Year	-	-	7,974,566	7,974,566
Additional in paidup capital	-	-	-	-
Dividend on profit	-	-	(5,241,600)	(5,241,600)
Transferred to statutory reserve	-	1,594,913	(1,594,913)	-
Balance as at June 30, 2023	140,000,000	24,286,340	(28,970,857)	135,315,483
Profit for the Period	-	-	10,486,410	10,486,410
Additional in paidup capital	-	-	-	-
Transferred to statutory reserve	-	-	(6,379,800)	(6,379,800)
Dividend on profit	-	-	-	-
Balance as at March 31, 2024	140,000,000	24,286,340	(24,864,247)	139,422,093

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



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NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Popular 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, 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 15th 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 Ijarah, Musharaka, Murabaha and Diminishing Musharakah arrangements, Further, trading in listed securities and commodities are also under consultation of management. In addition to this the management is also scrolling venture to enter in Housing Finance.

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

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 statements 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 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, 2023.

	Unaudited March 31, 2023	Audited June 30,2022
	(Rupees)	
5. PROPERTY & EQUIPMENTS - (OWNED)		
Book value at the beginning of the period/year	89,151	161,219
Addition - at cost	-	-
Deletion - net	-	-
Depreciation charged	(46,405)	(72,068)
Book value at the end of the period/year	<u>42,746</u>	<u>89,151</u>
6. PROPERTY & EQUIPMENTS - (IJARAH)		
Book value at the beginning of the period/year	26,798,053	40,445,000
Addition - at cost	-	10,799,000
Deletion - net	(3,988,949)	(3,149,000)
Depreciation charged	(6,519,447)	(21,296,947)
Book value at the end of the period/year	<u>16,289,657</u>	<u>26,798,053</u>

7. CONTINGENCIES & COMMITMENTS

Contingencies and commitments are those as disclosed in the audited financial statements for the year ended June 30,2023.

8. RELATED PARTY TRANSACTIONS

The related parties comprise of associated undertakings, directors of the Modaraba Management Company. The Modaraba, in the normal course of business carries out transactions with these related parties. Significant transactions with related parties are as follows;

Nature of Transaction	Relationship with the Company	
Management fee	Management company	
	782,702	560,984
	<u>782,702</u>	<u>560,984</u>

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 FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR