



Popular Islamic Modaraba
An Islamic Financial Institution

Quarterly Accounts
September 30, 2023
(Un-Audited)

Managed By:

Popular Islamic Modaraba
Management Company (Pvt.) 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 & Director - 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 Kamran Hussain Mughal	- Chairman - Member - Member
SHARIAH ADVISOR	Al-Hamd Shariah Advisory Services (Pvt.) Limited	
COMPANY SECRETARY	Ms. Aisha Mughal	
CHIEF FINANCIAL OFFICER	Mr. Shoaib Shaikh	
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 ("Modaraba"), is pleased to present the unaudited financial statements of the Modaraba for first quarter ended September 30, 2023.

The summarized financial results for the quarter ended September 30, 2023 are as under:

	Un-Audited Sep-23	Un-Audited Sep-22
	(Rupees)	
Income	7,694,456	5,875,453
Operating expenses	(1,783,456)	(1,953,816)
Depreciation of Ijarah Assets	(2,693,500)	(2,067,793)
Profit before management fee	3,217,500	1,853,844
Management Fee	(160,875)	(92,692)
Sales tax on management fee	(20,914)	(12,050)
Profit before taxation	3,035,711	1,749,102
Taxation	(880,356)	(297,347)
Profit after taxation	2,155,355	1,451,755
Earning per certificate - basic & diluted	0.15	0.10

Review of Operations:

During the first quarter the financial performance of Modaraba was quite satisfactory. The Modaraba booked income of Rs.7.694 million as compared to Rs.5.875 million in the preceeding period. The profit after tax amounted to Rs. 2.155 million which was increased by 48% as compared to the correspondence period accordingly the EPC stood at Re.0.15 per certificate.

Future Outlook:

After withdrawal of Tax exemption, Modaraba's management is responding to the situation by taking proactive measures and implementing cutting-edge business practices. The management's primary goal is to increase profitability so that it can offer its Certificateholders a greater return. We continue to strive for the most effective and efficient use of our own resources while also carefully leveraging the balance sheet to record and gradually grow a portfolio of high-quality assets.

Acknowledgement:

The Modaraba has enjoyed the valuable guidance and support of Registrar Modarabas, Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange for their cooperation, support and guidance from time to time, and wishes to enjoy the same in future as well.

For and on behalf of the Board

Kamran Hussain Mughal
Chief Executive Officer

October 20, 2023
Karachi.



پاپولر اسلامک مضرارہ
اسلامی مالیاتی ادارہ

ڈائریکٹرز کی رپورٹ برائے سہ ماہی 30 ستمبر 2023

پاپولر اسلامک مضرارہ منیجمنٹ کمپنی (پرائیوٹ) لمیٹڈ جو پاپولر اسلامک کی منیجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو بہ مسرت ڈائریکٹرز کی رپورٹ برائے سہ ماہی 30 ستمبر 2023 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

برائے ستمبر 2022	برائے ستمبر 2023	
5,875,453	7,694,456	آمدنی
(1,953,816)	(1,783,456)	آپریٹنگ اخراجات
(2,067,793)	(2,693,500)	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپریسی ایشن)
1,853,844	3,217,500	منافع قبل از منیجمنٹ فیس
(92,692)	(160,875)	منیجمنٹ فیس
(12,050)	(20,914)	منیجمنٹ فیس پریسٹرنجس
1,749,102	3,035,711	نفع قبل از ٹیکس
(297,347)	(880,356)	ٹیکس
1,451,755	2,155,355	نفع بعد از ٹیکس
0.10	0.15	آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ:

پہلی سہ ماہی کے دوران مضرارہ کی کارکردگی قدرتی بخش رہی، مضرارہ نے گزشتہ مدت کے 5.875 ملین آمدنی کے مقابلے میں 7.694 ملین کی آمدنی دیکھائی۔ بعد از ٹیکس آمدنی میں 48 فیصد اضافہ دیکھا گیا۔ آمدنی فی سرٹیفکیٹ 0.15 پیسہ ریکارڈ کی گئی۔

مستقبل کے امکانات:

ٹیکس استگی ختم ہوجانے کے بعد مضرارہ کی انتظامیہ اس صورتحال سے نمٹنے کیلئے ٹھوس اقدامات کر رہی ہے اور جدید کاروباری طریقہ کار اپنا رہی ہے۔ انتظامیہ کی بنیادی توجہ منافع کو بڑھانے پر ہے تاکہ اپنے سرٹیفکیٹ ہولڈرز کو بہترین منافع دے سکے۔ اپنے وسائل کا زیادہ سے زیادہ اور موثر استعمال کر کے آہستہ آہستہ اچھے معیار کے اثاثوں کا پورٹ فولیو بنانا تاکہ اپنی پبلنس شیٹ کو بہتر بنایا جاسکے۔

اعتراف:

مضرارہ مشکور ہے رجسٹرار مضرارہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کی رہنمائی اور تعاون کا اور مستقبل میں بھی اس کی امید رکھتا ہے۔
مثنائب بورڈ

-- دستخط شدہ --

کامران حسین مغل

چیف ایگزیکٹو

20 اکتوبر 2023



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BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2023

Un-audited
Sep-23
Audited
Jun-23
(RUPEES)

ASSETS

NON CURRENT ASSETS

Property and equipment - owned	72,612	89,151
Property and equipment - ijarah	23,965,626	26,798,053
Long Term Investment-Diminishing Musharaka	37,249,192	37,249,192
Deferred tax asset-net	1,954,977	1,954,977
	63,242,407	66,091,373

CURRENT ASSETS

Short term morabaha finance	30,678,218	46,690,348
Current portion of Diminishing Musharakah	35,937,792	38,682,456
Advances and other receivables	15,538,588	8,752,463
Cash and bank balances	25,528,637	8,412,360
	107,683,235	102,537,627

TOTAL ASSETS

170,925,642 **168,629,000**

EQUITY AND LIABILITIES

Authorized certificate capital

14,000,000 (2023: 14,000,000) modaraba
certificates of Rs. 10 each

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 profit	(26,815,502)	(28,970,857)
	137,470,838	135,315,483

NON-CURRENT LIABILITIES

Security deposits against Ijarah	5,732,200	5,732,200
Deferred liability	2,199,164	2,199,164
	7,931,364	7,931,364

CURRENT LIABILITIES

Accrued and other liabilities	1,908,024	1,779,339
Current portion of security deposits	1,933,050	2,609,550
Provision for taxation	4,874,324	4,367,011
Unclaimed profit distribution	1,992,342	1,992,342
Payable to management company	14,000,000	14,000,000
Management fee payable	721,859	560,984
Sales tax on management fee	93,841	72,928

TOTAL LIABILITIES

25,523,440 **25,382,153**

CONTINGENCIES & COMMITMENTS

- -
170,925,642 **168,629,000**

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



Popular Islamic Modaraba

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PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Un-Audited Sep-23 (RUPEES)	Un- Audited Sep-22 (RUPEES)
Income	7,304,951	5,665,889
Operating expenses	(1,783,456)	(1,953,816)
Depreciation of Ijarah Assets	(2,693,500)	(2,067,793)
Operating profit	2,827,995	1,644,280
Other Income	389,505	209,564
Profit before management fee	3,217,500	1,853,844
Management fee	(160,875)	(92,692)
Sales tax on management fee	(20,914)	(12,050)
	(181,789)	(104,742)
Profit before taxation	3,035,711	1,749,103
Taxation	(880,356)	(297,347)
Profit after taxation	2,155,355	1,451,756
Other comprehensive income	-	-
Total comprehensive income	2,155,355	1,451,756
Earnings per certificate - basic & diluted	0.15	0.10

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



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CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Un-audited Sep-23	Un-audited Sep-22
	(RUPEES)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,035,711	3,035,711
Adjustments for:		
Depreciation expense	16,540	19,130
Depreciation of assets leased out under ijarah	2,693,500	2,067,793
	2,710,040	2,086,923
Operating profit before working capital changes	5,745,751	5,122,634
Decrease / (Increase) in current assets		
Current portion of morabaha finance	16,012,130	54,964
Current portion of long term investment D.M	2,744,664	3,315,630
Advances and other receivables	(7,417,314)	510,207
	11,339,480	3,880,801
Increase/(decrease) in current liabilities		
Accrued and other liabilities	128,685	300,923
Management fee payable	160,873	92,692
Sales tax on management fee	20,914	12,050
	310,472	405,665
Net cash generated from operation	17,395,703	4,499,866
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets- ijarah	-	2,148,461
Ijarah assets transfer-net	6,765,500	(2,123,826)
Owned assets purchased	-	-
Security deposit from ijarah	(676,650)	(79,600)
Investment in murabaha finance	(16,012,130)	54,964
Investment in diminishing musharakah	9,643,853	2,950,438
Net cash generated / (used in) investing activities	(279,427)	2,950,437
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net increase in cash & cash equivalent	17,116,277	7,450,303
Cash and cash equivalents at the beginning of the year	8,412,360	7,948,500
Cash and cash equivalents at the end of the year	25,528,637	15,398,803

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



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STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	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	-	-	2,155,355	2,155,355
Additional in paidup capital	-	-	-	-
Dividend on profit	-	-	-	-
Transferred to statutory reserve	-	-	-	-
Balance as at September 30, 2023	140,000,000	24,286,340	(26,815,502)	137,470,838

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



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NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

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 (now Companies Act, 2017) and registered with Securities and Exchange Commission of Pakistan. 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, Diminishing Musharakah, Murabahah, also considering for 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 Act, 2017. 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.

	Un-audited September 30,2023	Audited June 30,2023
	(Rupees)	
5. PROPERTY & EQUIPMENTS - (OWNED)		
Book value at the beginning of the period/year	161,219	161,219
Addition - at cost	-	-
Deletion - net	-	-
Depreciation charged	(88,607)	(72,068)
Book value at the end of the period/year	<u>72,612</u>	<u>89,151</u>
6. PROPERTY & EQUIPMENTS - (IJARAH)		
Book value at the beginning of the period/year	48,095,000	40,445,000
Addition - at cost	-	10,799,000
Deletion - net	(6,765,500)	(3,149,000)
Depreciation charged	(17,363,874)	(21,296,947)
Book value at the end of the period/year	<u>23,965,626</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	160,875	560,984
		<u>160,875</u>	<u>560,984</u>

9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **October 20, 2023** by the Board of Directors of Popular Islamic Modaraba Management Company (Private) Limited.

10. General

Figures have been rounded off to the nearest Rupee.

The annexed notes from 1 to 10 form an integral part of these condensed interim financial information.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR