



**Popular Islamic Modaraba**  
An Islamic Financial Institution

**INTERIM FINANCIAL STATEMENTS**  
**HALF YEAR ENDED**  
**December 31, 2023**

**Managed By:**

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Popular Islamic Modaraba  
Management Company (Pvt.) Limited

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# Popular Islamic Modaraba

## An Islamic Financial Institution

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# Popular Islamic Modaraba

## An Islamic Financial Institution

### **CORPORATE INFORMATION**

<b>BOARD OF DIRECTORS</b>	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
<b>AUDIT COMMITTEE</b>	Mr. Khurram Abdullah Mr. Shahbaz Ali Malik Mr. Malik Junaid Emam	- Chairman - Member - Member
<b>HR COMMITTEE</b>	Mr. Khurram Abdullah Mr. Malik Junaid Emam Mr. Kamran Hussain Mughal	- Chairman - Member - Member
<b>SHARIAH ADVISOR</b>	Al-Hamd Shariah Advisory Services (Pvt.) Limited	
<b>COMPANY SECRETARY</b>	Ms. Aisha Mughal	
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Shoaib Shaikh	
<b>BANKERS</b>	Albaraka Bank (Pakistan) Limited Meezan Bank Limited	
<b>AUDITORS</b>	BKR International Muniff Ziauddin & Co. Chartered Accountant	
<b>LEGAL ADVISOR</b>	Syed Sikandar Ali Shah - Advocate M/s. Shah Associates	
<b>MANAGEMENT COMPANY</b>	Popular Islamic Modaraba Management Company (Pvt.) Ltd	
<b>REGISTERED OFFICE</b>	15th Floor, Hasrat Mohani Road, Off. I.I.Chundrigar Road, Karachi.	
<b>SHARE REGISTRAR</b>	Central Depository Company of Pakistan CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi	



# Popular Islamic Modaraba

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### Directors' 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 Financial Information for the Half Year ended December 31, 2023 alongwith Auditors' Report to the Certificate Holders on Review of Condensed Interim Financial Information.

The summarized financial results for the half year ended December 31, 2023 are as under:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	-----Rupees-----	
<b>Income</b>	<b>17,049,468</b>	13,906,006
Operating expenses	<b>(3,768,194)</b>	(4,095,095)
Depreciation of Ijarah assets	<b>(4,350,909)</b>	(4,639,266)
	<b>8,930,365</b>	5,171,645
Other income	<b>1,000,921</b>	609,342
<b>Profit before management fee</b>	<b>9,931,286</b>	5,780,987
Management fee	<b>(496,564)</b>	(289,049)
Sales tax on management fee	<b>(64,553)</b>	(37,576)
<b>Profit before taxation</b>	<b>9,370,168</b>	5,454,361
Taxation	<b>(2,717,349)</b>	(927,241)
<b>Profit after taxation</b>	<b>6,652,820</b>	4,527,120
<b>Total comprehensive income</b>	<b>6,652,820</b>	4,527,120
<b>Earnings per certificate - basic &amp; diluted</b>	<b>0.48</b>	0.32

#### **Review of Operations & Economy:**

Despite the persistent challenges in the business landscape, economic condition, high inflation and economic uncertainty, your Modaraba has managed to remain profitable. Alhamdulillah, we have achieved gross revenue of Rs. 18.050 million as compared to Rs. 14.515 million in corresponding period last year, an increase of 24%, whereas the Operating and Depreciation expenses contracted by nearly 8% compared to the same period last year. The Income of Modaraba increased almost 47% from Rs. 4.527 million to Rs. 6.652 million from previous year. The EPC stood at Re.0.48. The asset portfolio developed is a well-balanced combination of corporates, high net worth individuals and SMEs with a very satisfactory performance of repayments.

Pakistan is going through a period of extreme economic and political instability due to internal and external factors. Any political shake up can disturb the economy's entire momentum of progress, slowing down the pace of economic activities, creating a sense of insecurity in the financial sector and diverting the nation's progress towards economic and financial security.



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Considering the current economic situation, businesses may have a slow momentum in the next few months. Nevertheless, the management is confident that the performance will improve in the future as well and yield positive results despite the highlighted economic challenges.

### **Future outlook:**

Modaraba is focusing on fresh financing business specifically to SMEs to improve profitability. 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 Management of the Modaraba is proactively studying available options which would best protect and preserve certificate holders' interest in the future. We are fully committed to maintain this upward trend and Insha Allah foresee to achieve better results, and to pay progressive return to the certificate holders of the Modaraba.

### **Acknowledgments:**

The Board would like to take this opportunity to express gratitude and thanks to our valuable customers for their patronage and support, the Securities and Exchange Commission of Pakistan, the Pakistan Exchange Limited and Modaraba Association of Pakistan for their continuous support and guidance.

Special thanks to our certificate holders for the trust and confidence reposed in us.

for and on behalf of the Board.

**Kamran Hussain Mughal**  
**Chief Executive Officer**

Dated: February 23, 2024  
Karachi.

## ڈائریکٹرز کی رپورٹ برائے نصف سال 31 دسمبر 2023

پاپولر اسلامک مڈاربا مینجمنٹ کمپنی (پرائیوٹ) لمیٹڈ جو پاپولر اسلامک مڈاربا کی مینجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز نے سرٹیفکیٹ ہولڈرز کو بہ مسرت ڈائریکٹرز کی رپورٹ بمعہ مڈاربا کے نصف سال کے جائزہ شدہ گوشوارے اور آڈیٹر کی جائزہ شدہ رپورٹ برائے نصف سال 31 دسمبر 2023 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

برائے دسمبر 2022	برائے دسمبر 2023	
13,906,095	17,049,468	آمدنی
(4,095,095)	(3,768,194)	آپریٹنگ اخراجات
(4,639,266)	(4,350,909)	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپریسی ایشن)
<b>5,171,645</b>	<b>8,930,365</b>	آپریٹنگ نفع
609,342	1,000,921	دیگر آمدنی
<b>5,780,987</b>	<b>9,931,286</b>	نفع قبل از مینجمنٹ فیس
(289,049)	(496,564)	مینجمنٹ فیس
(37,576)	(64,553)	مینجمنٹ فیس پریسزنگ
<b>5,454,361</b>	<b>9,370,168</b>	نفع قبل از ٹیکس
(927,241)	(2,717,349)	ٹیکس
<b>4,527,120</b>	<b>6,652,820</b>	نفع بعد از ٹیکس
<b>0.32</b>	<b>0.48</b>	آمدنی فی سرٹیفکیٹ

### کاروبار اور معیشت کا جائزہ:

انتہائی مشکل معاشی حالات، بلند افراط زر، کم زرمبادلہ کے ذخائر اور معاشی بے یقینی کے باوجود مڈاربا نے معقول کارکردگی کا مظاہرہ کیا ہے۔ پچھلے سال کے مقابلے میں آمدنی میں 24% اضافہ ہوا جو کہ 14.515 ملین سے بڑھ کر 18.050 ملین رہی جبکہ ڈیپریسی ایشن اور آپریٹنگ اخراجات میں 8% کمی ہوئی۔ نفع بعد از ٹیکس 47 اضافہ کے ساتھ 6.652 ملین رہا جو کہ پچھلے سال 4.527 ملین تھا۔ اسی طرح آمدنی فی سرٹیفکیٹ 0.48 پیسہ ریکارڈ کی گئی۔ مڈاربا کے اثاثوں کا پورٹ فولیو کارپوریٹس، اعلیٰ مالیت کے حامل افراد اور ایس ایم ایز کا ایک متوازن امتزاج ہے جن کی ادائیگیوں کی کارکردگی انتہائی تسلی بخش ہے۔



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پاکستان اس وقت کچھ اندرونی اور بیرونی عوامل کی وجہ سے انتہائی معاشی اور سیاسی عدم استحکام کے دور سے گزر رہا ہے، کوئی بھی سیاسی بلچیل معیشت کی ترقی کی رفتار کو متاثر کر سکتی ہے اور معاشی سرگرمیوں کی رفتار میں سست روی اور معاشی شعبے میں عدم تحفظ کا احساس پیدا کر سکتی ہے اور ملک کی ترقی کو مایاتی اور اقتصادی تحفظ کی طرف موڑ سکتی ہے۔

موجودہ معاشی صورتحال کو مد نظر رکھتے ہوئے اگلے چند مہینوں میں کاروبار کی رفتار درست ہو سکتی ہے، اسکے باوجود انتظامیہ کو یقین ہے کہ مستقبل میں بھی کارکردگی میں بہتری آئے گی اور نمایاں اقتصادی چیلنجوں کے باوجود مثبت نتائج برآمد ہوں گے۔

### مستقبل کے امکانات:

بنیادی طور پر مضاربہ کی توجہ نئی فنانسنگ کے کاروبار پر ہے خاص طور پر ایس ایم ایز تاکہ منافع میں مزید اضافہ کیا جاسکے۔ ہماری کوشش ہے کہ اپنے وسائل کو استعمال کرتے ہوئے اپنی بیلنس شیٹ کو بہتر بنائیں اور آہستہ آہستہ معیاری اثاثہ جات کا پورٹ فولیو بناتے رہیں۔ آپ کے مضاربہ کی انتظامیہ ان تمام دستیاب آپشن پر تحقیق کر رہی ہے جن سے مستقبل میں سرٹیفکیٹ ہولڈرز کے مفادات کا تحفظ کیا جاسکے۔ 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 سرٹیفکیٹ ہولڈرز کو باقاعدگی سے منافع بھی ادا کریں گے جیسا کہ ہم کرتے آ رہے ہیں۔

### اعتراف:

مضاربہ مشکور ہے اپنے تمام قیمتی صارفین، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، این بی ایف آئی اینڈ مضاربہ ایسوسی ایشن آف پاکستان کی مسلسل حمایت، رہنمائی اور تعاون کیلئے اور مستقبل میں بھی اس کی امید رکھتا ہے۔

خصوصی شکریہ ان تمام سرٹیفکیٹ ہولڈرز کا جنہوں نے ہم پر بھرپور اعتماد کیا۔

منجانب بورڈ

کامران حسین مغل

چیف ایگزیکٹو آفیسر

23 فروری 2024



# Popular Islamic Modaraba

## An Islamic Financial Institution



### MUNIFF ZIAUDDIN & CO.

#### Chartered Accountants

Business Executive Centre  
F/17/3, Block 8, Clifton  
Karachi – 75600 – Pakistan  
Tel: +92-21-35375127-8,  
+92-21-35872283  
E-mail: [info@mzco.com.pk](mailto:info@mzco.com.pk)  
Web: [bkrpakistan.com](http://bkrpakistan.com)

#### Independent Auditors' Review Report

To the Certificate Holders of Popular Islamic Modaraba  
Report on review of Interim Financial Statements.

#### Introduction

We have reviewed the accompanying condensed interim balance sheet of Popular Islamic Modaraba (the Modaraba) as at 31 December 2023, the related condensed interim profit or loss and other comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity, and notes to the interim financial statements for the six-month period then ended (here-in-after referred to as "interim financial statements").

Management Company is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim profit or loss and other comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2023.

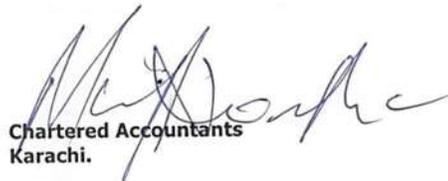
#### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Muhammad Moin Khan.

  
Chartered Accountants  
Karachi.

Date: February 23, 2024

UDIN: RR202310153Y2lgNz1HA



Independent  
Member

Other Offices:  
Islamabad & Lahore



# Popular Islamic Modaraba

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**POPULAR ISLAMIC MODARABA  
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
AS AT DECEMBER 31, 2023**

	Note	Un-Audited Dec-23 (Rupees)	Audited Jun-23 (Rupees)
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment - owned	4	56,072	89,151
Property and equipment - ijarah	5	18,376,817	26,798,053
Diminishing musharaka financing	6	85,031,000	37,249,192
Deferred tax asset-net		1,954,977	1,954,977
		<b>105,418,866</b>	<b>66,091,373</b>
<b>CURRENT ASSETS</b>			
Murabaha finance	7	29,211,756	46,690,348
Current portion of diminishing Musharaka	6	32,006,855	38,682,456
Advances and other receivables		5,668,878	8,752,463
Cash and bank balances	8	42,925,833	8,412,360
		<b>109,813,322</b>	<b>102,537,627</b>
		<b>215,232,188</b>	<b>168,629,000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized certificate capital 14,000,000 (June 2023: 14,000,000) modaraba certificates of Rs. 10 each.		<b>140,000,000</b>	<b>140,000,000</b>
<b>Certificate holders' equity</b>			
Certificate capital	9	140,000,000	140,000,000
Statutory reserve		24,286,340	24,286,340
Accumulated loss		(28,697,838)	(28,970,857)
		<b>135,588,502</b>	<b>135,315,483</b>
<b>NON-CURRENT LIABILITIES</b>			
Security deposits against Ijarah	9	4,220,700	5,732,200
Deferred liability		1,969,445	2,199,164
		<b>6,190,145</b>	<b>7,931,364</b>
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities		2,323,578	1,218,515
Current portion of security deposit against Ijarah	9	733,000	2,609,550
Charity payable		677,553	560,824
Provision for taxation		5,287,597	4,367,011
Unclaimed profit distribution		2,322,475	1,992,342
Payable to management company		61,000,000	14,000,000
Management fee payable - net		971,857	560,984
Sales tax on management fee		137,481	72,928
<b>TOTAL LIABILITIES</b>		<b>73,453,541</b>	<b>25,382,153</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>	10	<b>215,232,188</b>	<b>168,629,000</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



# Popular Islamic Modaraba

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**POPULAR ISLAMIC MODARABA**  
**CONDENSED INTERIM PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Note	HALF YEAR ENDED		QUARTER ENDED	
		Dec-23 (Rupees)	Dec-22 (Rupees)	Dec-23 (Rupees)	Dec-22 (Rupees)
Income	11	17,049,468	13,906,006	9,744,517	8,240,117
Operating expenses		(3,768,194)	(4,095,095)	(1,984,738)	(2,141,279)
Depreciation of Ijarah Assets		(4,350,909)	(4,639,266)	(1,657,409)	(2,571,473)
Operating profit		8,930,365	5,171,645	6,102,370	3,527,365
Other Income	12	1,000,921	609,342	611,416	399,778
Profit before management fee		9,931,286	5,780,987	6,713,787	3,927,143
Management fee		(496,564)	(289,049)	(335,689)	(196,357)
Sales tax on management fee		(64,553)	(37,576)	(43,639)	(25,526)
		(561,118)	(326,626)	(379,329)	(221,884)
Profit before taxation		9,370,168	5,454,361	6,334,458	3,705,259
Taxation		(2,717,349)	(927,241)	(1,836,993)	(629,894)
Profit after taxation		6,652,820	4,527,120	4,497,465	3,075,365
Other comprehensive income		-	-	-	-
Total comprehensive income		6,652,820	4,527,120	4,497,465	3,075,365
Earnings per certificate - basic & diluted	13	0.48	0.32	0.32	0.22

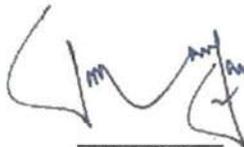
The annexed notes from 1 to 19 form an integral part of these financial statements.

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

  
\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

  
\_\_\_\_\_  
DIRECTOR

  
\_\_\_\_\_  
DIRECTOR



# Popular Islamic Modaraba

## An Islamic Financial Institution

POPULAR ISLAMIC MODARABA  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	For the six months ended	
	Dec-23 (Rupees)	Dec-22 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,370,168	5,454,361
<b>Adjustments for:</b>		
Depreciation expense	33,079	38,260
Depreciation of assets leased out under ijarah	4,350,909	4,639,266
Gain on termination	(83,068)	(205,676)
	4,300,920	4,471,850
Operating profit before working capital changes	13,671,088	9,926,211
<b>Changes in working capital</b>		
<b>Decrease / (Increase) in current assets</b>		
Advances and other receivables	3,201,799	911,012
<b>Increase/(decrease) in current liabilities</b>		
Accrued and other liabilities	1,105,063	569,328
Charity payable	116,729	(14,500)
Management fee payable	410,873	289,049
Sales tax on management fee	64,553	37,576
	1,697,219	881,453
<b>Cash generated from operations</b>	18,570,106	11,718,677
Purchase of fixed assets- ijarah	-	(12,406,376)
Ijarah assets transfer-net	4,070,327	1,737,000
Security deposit from ijarah	(3,388,050)	2,504,600
Investment in murabaha finance	17,478,592	11,224,626
Investment in diminishing musharakah	(41,023,139)	(6,782,822)
Tax paid	(1,914,976)	(1,411,514)
Gratuity paid	(229,719)	-
	(25,006,965)	(5,134,486)
Net cash (used in) / generated from operating activities	(6,436,859)	6,584,190
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan from management company	47,000,000	-
Dividend paid	(6,049,667)	(4,756,975)
Net cash generated from / (used in) financing activities	40,950,333	(4,756,975)
<b>Net increase in cash and cash equivalents during the period</b>	34,513,474	1,827,216
Cash and cash equivalents at the beginning of the period	8,412,360	2,579,156
<b>Cash and cash equivalents at the end of the period</b>	42,925,833	4,406,372

The annexed notes from 1 to 19 form an integral part of these financial statements.

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
DIRECTOR



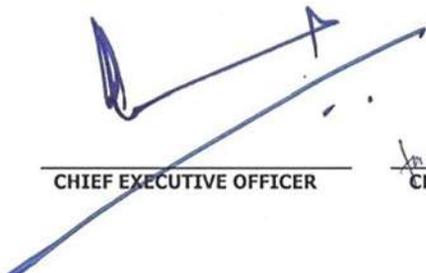
# Popular Islamic Modaraba

## An Islamic Financial Institution

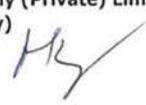
**POPULAR ISLAMIC MODARABA**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

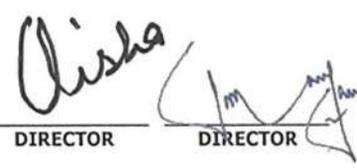
	Certificate Capital	Statutory Reserve	Accumulated profit	Total
----- (Rupees) -----				
Balance as at July 01, 2022	140,000,000	22,691,427	(30,108,910)	132,582,517
Total comprehensive income for the year	-	-	4,527,120	4,527,120
<b>Transaction with Certificate Holders</b> Profit distribution for the year ended June 30, 2022 at Re. 0.565 (5.65%) per certificate.			(5,241,600)	(5,241,600)
Balance as at December 31, 2022	140,000,000	22,691,427	(30,823,390)	131,868,037
<b>Balance as at July 01, 2023</b>	<b>140,000,000</b>	<b>24,286,340</b>	<b>(28,970,858)</b>	<b>135,315,483</b>
Profit for the period	-	-	6,652,820	6,652,820
Final dividend at the rate Re. 0.4557 (4.557%) per certificate for the year ended June 30, 2023	-	-	(6,379,800)	(6,379,800)
<b>Balance as at December 31, 2023</b>	<b>140,000,000</b>	<b>24,286,340</b>	<b>(28,697,838)</b>	<b>135,588,502</b>

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
DIRECTOR



# Popular Islamic Modaraba

## An Islamic Financial Institution

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 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 repealed Companies Ordinance, 1984 (now Companies Act, 2017) 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 Musharaka 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. BASIS OF PREPARATION

##### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards
- Provisions of and directives issued under the Companies Act, 2017; and
- The requirements of Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas (hereinafter referred to as the relevant laws).

Where provisions and directives issued under Companies Act, 2017 and the relevant laws differ from IFRS Standards, the provisions and directives issued under Companies Act, 2017 and the relevant laws have been followed.

The condensed interim financial statements do not include all the information and disclosures required for full annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba as at and for the year ended June 30, 2023

##### 2.2. New standards, amendments to approved accounting standards and new interpretations

###### 2.2.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2024

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or have any significant effect on the Modaraba's financial reporting and therefore, have not been disclosed in these condensed interim financial statements.

###### 2.2.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2024

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2024 but are considered not to be relevant or have any significant effect on the Modaraba's financial reporting.

#### 3 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2023.



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	Note	(Un-audited) December 2023	(Audited) June 2023
-----Rupees-----			
<b>4 PROPERTY AND EQUIPMENTS - (OWNED)</b>			
Book value at the beginning of the period / year		89,151	161,219
Addition - at cost		-	-
Deletion - net		-	-
Depreciation charged		(33,079)	(72,068)
Book value at the end of the period / year		<b>56,072</b>	89,151
<b>5 PROPERTY AND EQUIPMENTS - (IJARAH)</b>			
Book value at the beginning of the period / year		26,798,053	25,868,708
Addition - at cost		-	10,799,000
Deletion - net		(4,070,327)	(265,253)
Depreciation charged		(4,350,909)	(9,604,402)
Book value at the end of the period / year		<b>18,376,817</b>	26,798,053
<b>6 LONG TERM INVESTMENTS - DIMINISHING MUSHARAKA</b>			
Investment under diminishing musharaka		117,037,855	75,931,648
Less: Current portion of diminishing musharaka		(32,006,855)	(38,682,456)
		<b>85,031,000</b>	37,249,192
<b>7 MORABAHA FINANCE</b>			
Considered good	7.1	29,211,756	46,690,348
Considered doubtful		-	-
		29,211,756	46,690,348
Provision against doubtful		-	-
		<b>29,211,756</b>	46,690,348
<b>7.1</b>	The profit rates on these Murabaha arrangements ranges between 12.70% and 26.99% (June 30, 2023: 12.70% and 26.99%). These investments are secured against charge over fixed assets, registered and equitable mortgage of properties, personal guarantees of the directors of customer companies, demand promissory notes and postdated cheques varying from case to case.		
<b>8 CASH AND BANK BALANCES</b>			
In hand		127,878	114,128
<b>At banks</b>			
Deposit accounts	8.1	41,368,633	7,199,043
Dividend account		1,337,827	1,007,694
State Bank of Pakistan		91,495	91,495
		42,797,955	8,298,232
		<b>42,925,833</b>	8,412,360
<b>8.1</b>	Deposit accounts are Shariah compliant and rate of profit on deposit accounts ranges from 6.75% to 8.00% (June 30, 2023: 6.70% to 7.25%) per annum.		
<b>9 SECURITY DEPOSITS AGAINST IJARAH</b>			
Security deposits		4,953,700	5,732,200
Less: Current portion of security deposits		(733,000)	(2,609,550)
		<b>4,220,700</b>	3,122,650
<b>10 CONTINGENCIES AND COMMITMENTS</b>			
<b>Contingencies</b>			
In the Banking Court Suit No. 2/2002 FIM v/s Trade & Others was decreed on 25-07-2003 in favour of Modaraba and Execution Application bearing No. 74/2003 was filed. Thereafter, In Honorable High Court of Sindh an Appeal (1st Appeal 67/2019) was filed for the same case. The case was fixed on January 20,2022, May 10, 2022, June 02, 2022 for clear the office objection. There is no change in status.			
<b>Commitments</b>			
The Modaraba has no commitments as at December 31, 2023 (June 30, 2023: NIL).			



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	(Un-audited) December 2022	(Audited) June 2022
	-----Rupees-----	
<b>5 PROPERTY AND EQUIPMENTS - (OWNED)</b>		
Book value at the beginning of the period / year	161,219	80,689
Addition - at cost	-	143,860
Deletion - net	-	-
Depreciation charged	(38,260)	(63,330)
Book value at the end of the period / year	<u>122,959</u>	<u>161,219</u>
<b>6 PROPERTY AND EQUIPMENTS - (IJARAH)</b>		
Book value at the beginning of the period / year	25,868,708	22,559,434
Addition - at cost	12,406,376	13,241,000
Deletion - net	(1,737,000)	(1,739,596)
Depreciation charged	(4,639,266)	(8,192,130)
Book value at the end of the period / year	<u>31,898,818</u>	<u>25,868,708</u>
<b>7 LONG TERM INVESTMENTS - DIMINISHING MUSHARAKA</b>		
Investment under diminishing musharaka	64,553,634	57,525,328
Less: Current portion of diminishing musharaka	(23,446,910)	(18,990,347)
	<u>41,106,724</u>	<u>38,534,981</u>
<b>8 LONG TERM MORABAHA FINANCE</b>		
Considered good	33,393,628	51,720,322
Considered doubtful	11,430,400	5,100,614
	44,824,028	56,820,936
Provision against doubtful	-	(772,282)
	44,824,028	56,048,654
Less: Current portion of morabaha finance	(44,824,028)	(56,048,654)
	<u>-</u>	<u>-</u>
<b>8.1</b>	The profit rates on these Murabaha arrangements ranges between 18.52% and 19.76% (June 30, 2022: 9.41% and 14.86%). These investments are secured against charge over fixed assets, registered and equitable mortgage of properties, personal guarantees of the directors of customer companies, demand promissory notes and postdated cheques varying from case to case.	
<b>9 CASH AND BANK BALANCES</b>		
Cash on hand	86,198	76,198
<b>Cash at banks:</b>		
- Saving accounts	2,703,063	1,370,472
- Dividend accounts	1,525,616	1,040,991
- Saving accounts with State Bank of Pakistan	91,495	91,495
	4,320,174	2,502,958
	<u>4,406,372</u>	<u>2,579,156</u>



# Popular Islamic Modaraba

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	(Un- audited) December 2023		(Un- audited) December 2022	
	-----Rupees-----			
<b>11 INCOME</b>				
Income on Murabaha		1,822,367		3,799,389
Income on Ijarah		5,976,036		6,263,404
Income on Diminishing Musharaka		9,251,066		3,843,213
		<u>17,049,468</u>		<u>13,906,006</u>
<b>12 OTHER INCOME</b>				
Profit on deposit accounts		788,089		265,388
Gain on early termination of diminishing musharaka / ijarah		83,068		205,676
Other income - processing fee		129,764		138,278
		<u>1,000,921</u>		<u>609,342</u>
<b>13 EARNINGS PER CERTIFICATE - BASIC &amp; DILUTED</b>				
There is no dilutive effect on earnings per certificate which is based on:				
	<b>For the six months ended</b>		<b>For the Quarter ended</b>	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----			
Profit after taxation	<u>6,652,820</u>	4,527,120	<u>4,497,465</u>	3,075,365
Weighted average number of ordinary shares outstanding during the period	<u>14,000,000</u>	14,000,000	<u>14,000,000</u>	14,000,000
Earnings per share - basic & dilutive	<u>0.48</u>	0.32	<u>0.32</u>	0.22



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### 14 INFORMATION ABOUT BUSINESS SEGMENTS

	For The Half Year Ended December 31, 2023				
	Musharaka	Ijarah	Murabaha	Others	Total
	----- Rupees -----				
<b>Segments Revenue</b>	<b>9,251,066</b>	<b>5,976,036</b>	<b>1,822,367</b>	<b>1,000,921</b>	<b>18,050,389</b>
<b>Segments results</b>					
Segments income	9,251,066	5,976,036	1,822,367	1,000,921	18,050,389
Operating Expenses	(1,931,250)	(1,247,556)	(380,437)	(208,951)	(3,768,194)
Depreciation on property and equipment - Ijarah	-	(4,350,909)	-	-	(4,350,909)
Management fee and sales tax	-	-	-	(561,118)	(561,118)
<b>Segment results</b>	<b>7,319,816</b>	<b>377,571</b>	<b>1,441,930</b>	<b>230,852</b>	<b>9,370,168</b>
	For The Half Year Ended December 31, 2022				
	Musharaka	Ijarah	Murabaha	Others	Total
	----- Rupees -----				
<b>Segments Revenue</b>	3,843,213	6,263,404	3,799,389	609,342	14,515,348
<b>Segments results</b>					
Segments income	3,843,213	6,263,404	3,799,389	609,342	14,515,348
Operating Expenses	(1,084,254)	(1,767,042)	(1,071,890)	(171,909)	(4,095,095)
Depreciation on property and equipment - Ijarah	-	(4,639,266)	-	-	(4,639,266)
Management fee and sales tax	-	-	-	(326,626)	(326,626)
<b>Segment results</b>	<b>2,758,959</b>	<b>(142,904)</b>	<b>2,727,499</b>	<b>110,807</b>	<b>5,454,361</b>
	As At December 31, 2023				
	Musharaka	Ijarah	Murabaha	Others	Total
	----- Rupees -----				
<b>Other information</b>	<b>41,023,139</b>	-	-	-	<b>41,023,139</b>
Fresh disbursements					
Depreciation	-	(4,350,909)	-	-	(4,350,909)
<b>Assets and liabilities</b>					
<b>Segments assets</b>					
Segments assets	117,037,855	18,376,817	29,211,756	5,668,878	170,295,306
Unallocated	-	-	-	44,936,882	44,936,882
<b>Total segments assets</b>	<b>117,037,855</b>	<b>18,376,817</b>	<b>29,211,756</b>	<b>50,605,760</b>	<b>215,232,188</b>
<b>Segment liabilities</b>					
Security deposits	-	4,953,700	-	-	4,953,700
Loan from management company	-	-	-	61,000,000	61,000,000
Unallocated liabilities	-	-	-	13,689,986	13,689,986
<b>Total segment liabilities</b>	<b>-</b>	<b>4,953,700</b>	<b>-</b>	<b>74,689,986</b>	<b>79,643,686</b>
<b>Total net assets</b>					<b>135,588,502</b>
	As At June 30, 2023				
	Musharaka	Ijarah	Murabaha	Others	Total
	----- Rupees -----				
<b>Other information</b>	60,492,000	10,799,000	25,000,000	-	96,291,000
Fresh disbursements					
Depreciation	-	(9,604,402)	-	-	(9,604,402)
<b>Assets and liabilities</b>					
<b>Segments assets</b>					
Segments assets	75,931,648	26,798,053	46,690,348	8,752,463	158,172,512
Unallocated	-	-	-	10,456,488	10,456,488
<b>Total segments assets</b>	<b>75,931,648</b>	<b>26,798,053</b>	<b>46,690,348</b>	<b>19,208,951</b>	<b>168,629,000</b>
<b>Segment liabilities</b>					
Security deposits	-	8,341,750	-	-	8,341,750
Loan from management company	-	-	-	14,000,000	14,000,000
Unallocated liabilities	-	-	-	10,971,767	10,971,767
<b>Total segment liabilities</b>	<b>-</b>	<b>8,341,750</b>	<b>-</b>	<b>24,971,767</b>	<b>33,313,517</b>
<b>Total net assets</b>					<b>135,315,483</b>



# Popular Islamic Modaraba

## An Islamic Financial Institution

### 15 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

Name of the related party	Nature of transactions	Relationship	(Un-audited)	
			December 2023 Rupees	December 2022 Rupees
Popular Islamic Modaraba Management Company (Pvt) Ltd.	Modaraba management fee	Associated Company	496,564	289,049
	Sales tax on modaraba management fee	Associated Company	64,553	37,576
	Dividend paid	Associated Company	2,535,911	2,083,536
	Loan from modaraba management company	Associated Company	47,000,000	-
			(Un-audited) December 2023 Rupees	(Audited) June 2023 Rupees
Popular Islamic Modaraba Management Company (Pvt) Ltd.	<b>Balance as at the year end</b>			
	Loan payable to modaraba management company	Associated Company	61,000,000	14,000,000
	Modaraba management fee payable	Associated Company	971,857	560,984
	Sales tax on modaraba management fees payable	Associated Company	137,481	72,928

### 16 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

#### Fair value hierarchy;

As at December 31, 2023 the Company has no financial instruments that falls into any of the above category.

### 17 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison, however, no significant re-classifications / re-statements have been made to these condensed interim financial statements.

### 18 DATE FOR AUTHORIZATION FOR ISSUE

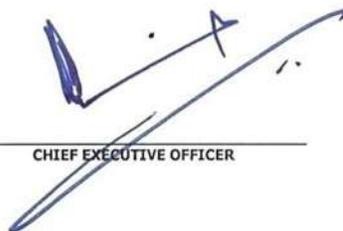
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The condensed interim financial statements have been approved and authorized for issue on \_\_\_\_\_ by the Board of Directors of the Modaraba Management Company.

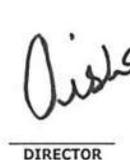
### 19 GENERAL

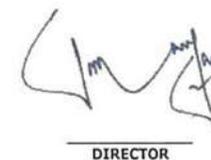
Figures has been rounded off to the nearest rupees

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
DIRECTOR