



**Popular Islamic Modaraba**  
An Islamic Financial Institution

**ANNUAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2024**

**Managed By:**

Popular Islamic Modaraba  
Management Company (Private) Limited



# Popular Islamic Modaraba

An Islamic Financial Institution



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### VISION STATEMENT

To be Modaraba of choice adhering to financing principles of Quran and Sunnah.

### MISSION STATEMENT

To develop Popular Islamic Modaraba as a leading Financial Institution of the country offering all modes of Islamic Financing to the satisfaction of customers who aspire to realize the growth potential of Shariah Compliant Financing in Pakistan.

We focus on value creation for our stakeholders.

### STATEMENT OF ETHICS AND BUSINESS PRACTICES

We believe a complete Code of Ethics is a prerequisite for all Directors and Employers of **Popular Islamic Modaraba**. We Endeavour to have fully groomed employees committed to the philosophy behind the Code of Ethics to carry out honestly activities assigned to them. Our aim is to have highest standard of excellence for the product and the betterment for all those involved directly or indirectly with our Modaraba.



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### CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Imamuddin Shouqeen Mr. Shahbaz Ali Malik Mr. Khurram Abdullah *.Mr. Qutbuddin Shaikh Mr. Malik Junaid Emam Mr. Kamran Hussain Mughal Ms. Aisha Mughal	- Chairman - Managing Director - Independent Director - Independent Director - Director - Director & Chief Executive - Director & Company Secretary
	<i>*.Subject to the approval of SECP, application submitted.</i>	
<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 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. Nadeem Ahmed Mazari	
<b>BANKERS</b>	Albaraka Bank (Pakistan) Limited Meezan Bank Limited	
<b>AUDITORS</b>	BKR Muniff Ziauddin & Co. Chartered Accountant	
<b>LEGAL ADVISOR</b>	Syed Sikandar Ali Shah - Advocate	
<b>MANAGEMENT COMPANY</b>	Popular Islamic Modaraba Management Company (Pvt.) Ltd	
<b>REGISTERED OFFICE</b>	406-410, 4th 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	



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### Chairman's Review Report

It is a pleasure for me to write to you again, and I appreciate the chance to update you on our performance for 2023–2024 and discuss how our Modaraba is coordinating both internally and externally to provide its stakeholders with more valuable services of Popular Islamic Modaraba (PIM). PIM operated in a satisfactory manner over the reviewed time.

As the Chairman of the Board for the past ten years, I've had the honour of bringing more attention to Modaraba's performance. Modaraba is a successful, forward-thinking leader in its industry that works to benefit our country, community, and people—both clients and employees.

The year under review, the members diligently performed their duties and thoroughly reviewed, discussed and approved business strategies, corporate objectives, plans, financial statements and other reports. All the significant issues throughout the year were presented before the Board regularly by the Management, internal and external auditors, legal advisor and shariah advisor. The Board has exercised its powers in accordance with the laws and regulations applicable on the Modaraba. All the directors on the Board are fully conversant with their duties and responsibilities as directors of the Modaraba. The Board of your Modaraba has been assigned the role and responsibilities as defined by the Code of Corporate Governance and the relevant regulations.

I certify that the agendas, supporting documents, and follow-up materials were sent to the Modaraba Board of Directors in ample time before the board and its committee meetings. Appropriate and sufficient management reports were provided to the Board for its consideration and decision-making. Moreover, at meetings, board members freely and candidly discussed various issues brought up for discussion.

In addition, the Board conducted its yearly self-evaluation of its performance and efficacy. The assessment is founded on the core principles of fairness, integrity and accountability with prime aim to boost the Modaraba performance. The Board's overall performance for the fiscal year that concluded on June 30, 2024, was deemed satisfactory. In addition, the Modaraba's overall success is an expression of its commitment to serving society and its stakeholders, and each director has made a significant contribution in this direction.

On behalf of the Board, it is a distinct pleasure for me to express my gratitude to you for the enduring trust and confidence reposed in us for many years.

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**Imamuddin Shouqeen**  
**Chairman**

**October 04, 2024**



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### بورڈ آف ڈائریکٹرز کی کارکردگی پر چیئرمین کی جائزہ رپورٹ

یہ میرے لئے اعزاز کی بات ہے میں ایک بار پھر آپ لوگوں سے مخاطب ہوں اور میں اس موقع کو خوش آمدید کرتے ہوئے آپ کو مضاربہ کی ۲۰۲۳-۲۰۲۴ کی کارکردگی کے بارے میں بتانا چاہتا ہوں کہ ہم نے بطور کمپنی اندرونی اور بیرونی طور پر کس طرح سے اپنے آپ کو ہم آہنگ کیا تاکہ پاپولر اسلامک مضاربہ اپنے اسٹیک ہولڈرز کو بہتر سروس اور فائدہ دے سکے۔

مجھے گزشتہ دس سالوں بورڈ کے چیئرمین کے عہدے پر فائز رہنے کا اعزاز حاصل ہے اور اس مدت میں میں نے کوشش کی کہ مضاربہ کی کارکردگی کو مزید بہتر بنایا جائے۔ میرے لیے یہ اعزاز کی بات ہے کہ آپ کے علم میں لاؤں کہ موجودہ بورڈ میں وہ ڈائریکٹرز شامل ہیں جو ادارے میں بصیرت، قیادت، وقار، جدت، کاروباری خطرے کے تخمینہ اور مومنو نظم و ضبط میں اضافہ کرنے کی اہلیت رکھتے ہیں۔

زیر جائزہ سال کے دوران بورڈ ممبران نے اپنی ذیوبی کو جانفشانی سے انجام دیا۔ کاروباری حکمت عملی، کارپوریٹ مقاصد، منصوبے اور دوسری مالی دستاویزات کے جائزے میں اہم کردار ادا کیا۔ تمام تر اہم معلومات کو پورے سال انتظامیہ نے بورڈ کے سامنے پیش کیا، انٹرنل آڈٹ، ایکسٹرنل آڈٹ، قانونی مشیر اور شریعہ آڈیٹر سے مشورے کئے۔ بورڈ نے اپنے اختیارات کو قانون اور ضابطوں کے مطابق جو کہ کمپنی پر لاگو ہوتے ہیں استعمال کیا، تمام بورڈ کے اراکین اپنی ذیوبی اور ذمہ داریوں سے پوری طرح آگاہ ہیں۔

بورڈ کے اراکین کو بورڈ اور مضاربہ کے اجلاسوں سے متعلق ایجنڈا اور دیگر متعلقہ دستاویزات تحریری طور پر اجلاسوں سے پہلے بھیجی جاتی رہی ہیں۔ اسکے علاوہ بورڈ کے اراکین کو مباحثوں اور فیصلوں کیلئے ٹیمٹ کے متعلق مختلف رپورٹس بھی بروقت ارسال کی جاتی رہی ہیں۔ مزید برآں، بورڈ کے اراکین مختلف معاملات پر آزادانہ طور پر اپنی رائے کا اظہار کرتے رہے ہیں۔ بورڈ اپنی کارکردگی اور موثر پن کا سالانہ جائزہ لیتا ہے۔ اس تخمینہ کا بنیادی مقصد اور اصول غیر جانبداری، دیانت داری، اور احتساب کا احاطہ کرتے ہوئے مضاربہ کی کارکردگی کو بڑھانا ہے۔ ۳۰ جون ۲۰۲۳ کو اختتام پر سال میں، بورڈ کی مجموعی کارکردگی اطمینان بخش رہی۔ مزید برآں مضاربہ کی مجموعی کارکردگی شرکاء کے مفاد اور سوسائٹی کیلئے خدمت کا مظہر ہے اور اس سلسلے میں ہر ڈائریکٹر نے اپنا قابل قدر حصہ ڈالا ہے۔

بورڈ کی جانب سے میرے لئے یہ خوشی کا مقام ہے کہ میں آپ سے پاپولر اسلامک مضاربہ پر اعتماد اور بھروسہ کرنے پر شکر یہ ادا کروں۔

-- دستخط شدہ --

امام الدین شوقین

چیئرمین

04 اکتوبر 2024





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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 on the Modaraba together with Notes, Audited Financial Statements and Auditor's Report for the year ended June 30, 2024.

#### **1. REVIEW OF ECONOMY:**

During the fiscal year 2023-2024, Pakistan's economy faced significant challenges, reflecting both internal vulnerabilities and external shocks. The country experienced slower GDP growth due to a combination of rising inflation, currency depreciation, and high debt servicing costs.

On the fiscal front, the government struggled to meet revenue targets, relying heavily on external financing and IMF programs to manage fiscal deficits. Despite these challenges, reforms in the energy and tax sectors were initiated, though their impact remains to be seen. The remittances from overseas Pakistanis remained a crucial source of foreign exchange but were insufficient to fully stabilize the balance of payments.

During the year, Pakistan's economy registered moderate recovery reflected by a GDP growth of 2.38 percent against previous year's contraction of 0.21 percent. The fiscal sector progressed towards stability, propelled by consolidation efforts and targeted reforms. The drop in SBP policy rates and gradually easing out the import and currency restrictions is paving the way for growth in businesses as well as the financial sectors.

#### **2. Financial Highlights:**

The summarized financial results for the year ended June 30, 2024 are as under:

	2024	2023
	------(Rupees)-----	
Income	45,693,425	27,721,389
Operating expenses	(10,177,392)	(8,927,851)
Depreciation of property and equipment-Ijarah	(6,804,518)	(9,604,402)
<b>Operating profit</b>	<b>28,711,515</b>	<b>9,189,136</b>
Other income	1,837,536	2,030,536
<b>Profit before management fee</b>	<b>30,549,051</b>	<b>11,219,672</b>
Management fee	(1,527,453)	(560,984)
Sales tax on management fee	(198,569)	(72,928)
Provision for worker's welfare fund	(576,461)	(211,715)
<b>Profit before taxation</b>	<b>28,246,569</b>	<b>10,374,045</b>
Taxation	(3,550,559)	(2,399,479)
<b>Profit after taxation</b>	<b>24,696,010</b>	<b>7,974,566</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>24,696,010</b>	<b>7,974,566</b>
<b>Earnings per certificate - basic &amp; diluted</b>	<b>1.76</b>	<b>0.57</b>



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### **3. Review of Operations:**

By the Grace of Almighty Allah, the performance of Popular Islamic Modaraba during the period under review continued to be strong. The Modaraba achieved the income of Rs.45.693 million as compared to Rs 27.721 million showing 64.83% increase over the same period of last year. The Modaraba has successfully recovered inherited bad debt of Rs.7.0 million through out of court settlement. The profit after tax increased from Rs. 7.974 million to Rs. 24.696 million as compared to the profit of corresponding period. The Earning Per Certificate has been worked out at Rs. 1.76 as compared to the EPC of corresponding period of last year that was Re. 0.57.

The Modaraba has obtained approval from the Registrar, Modaraba Companies and Modarabas in August 2024 for increase the Authorized Capital of Modaraba from Rs. 140 million to Rs. 200 million. Subsequently, the Modaraba has also obtain approval for conversion of loan of Rs. 60.00 million into equity through “other than Right Issue”. The process of conversion of loan has also completed on September 30, 2024.

The Popular Islamic Modaraba manages and monitors risk exposure very prudently. Using tools of risk management process particularly credit risk management in line with latest techniques including evaluation of borrowers’ credit profile includes repayment capability, eCIB clearance, cash flow, experience etc., which are carried out at the time of approval of the facility and regular monitoring thereof. Further, strengthen Shariah governance and compliance culture.

### **4. Profit Distributions:**

The Management of Modaraba has decided in the best interest of Certificate Holders to reduce the Management Fee from 10% to 5% this year and approved the distribution of profit at Rs. 1/- per certificate of Rs.10/- each i.e 10%, subject to deduction of zakat and tax at source where applicable, for the year ended June 30, 2024.

### **5. Shari’ah Audit Report:**

The Modaraba continues to seek guidance from its Shari’ah Advisor namely M/s. Alhamad Shariah Advisory Services (Private) Limited as and when required to ensure full compliance of Shari’ah Audit Mechanism developed in consultation with Registrar Modarabas. The Internal Sharia’ah Auditor also handles the day to day affairs of the Modaraba ensuring complete adherence to Shari’ah policies and principles. The Shari’ah Audit Report issued for the affairs of the Modaraba by the Shari’ah Advisor for the year ended June 30, 2024 is attached with the Annual Financial Statements which confirms that the Business of Modaraba is Shari’ah Compliant.

### **6. Compliance with the Code of Corporate Governance:**

The Modaraba has been and remains committed to the conduct of its business in line with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of





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the Pakistan Stock Exchange. As required by the Code of Corporate Governance, following is the statement of compliance with the Corporate and Financial Reporting Framework of the Code:

The Directors are pleased to confirm that:

- The Board has consistently complied with the relevant principles of corporate governance.
- The financial statements prepared by the management of the Modaraba present its state of affairs fairly which includes the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Modaraba have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements, and accounting estimates used are based on reasonable and prudent judgment.
- Relevant International Accounting Standards and Islamic Financial Accounting Standards, as applicable in Pakistan, provisions of the Modaraba Companies and Modarabas (Floating and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021 and directives of Securities and Exchange Commission of Pakistan have been followed in preparation of financial statements, and any departures there from have been adequately disclosed.
- The system of internal control which is in place is sound in design, and has been effectively Implemented and monitored.
- The Modaraba is financially sound in design, and has been effectively implemented and monitored.
- There is no significant doubt upon the Modaraba's ability to continue as a going concern, and that is why the Management is considering fresh injection of equity in the Modaraba.
- There are no outstanding statutory payments on account of taxes, duties, levies and charges as on June 30, 2024 except for those disclosed in the financial statements.
- During the year under review, Four (4) meetings of the Board of Directors were held. Attendance by each Director was as follows:

<b>Name of Director</b>	<b>Meetings Attended</b>
Mr. Imamuddin Shouqeen	4
Mr. Shahbaz Ali Malik	4
Mr. Khurram Abdullah	4
Mr. Malik Junaid Emam	4
Mr. Kamran Hussain Mughal	4
Ms. Aisha Mughal	4



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- The pattern of holding of certificates by the Certificate Holders is included in this annual report.
- The Directors, CEO, CFO/ Company Secretary and their spouses and minor children did not carry out any transaction in the certificates of Modaraba during the year.

### **7. Future outlook:**

We would continue looking at and choosing high yield enterprises with the goal of expanding with Shariah compliant businesses. We are confident that we will continue to operate in accordance with our short- and long-term plans for the future, and we'll work to improve upon our current performance using cutting-edge strategies that will give Certificate Holders superior returns. The future for the Modaraba is particularly difficult given the current economic climate and the fierce competition for Islamic Financial Products. The management of your Modaraba is continually researching the possibilities that would best safeguard and maintain the interest of certificate holders in the future. We are doing everything we can to improve the system, with a focus on cautious risk management and recoveries in particular.

Effective services and competitive profit margins are necessary for the development of a quality customer base. We must provide extremely competitive profit rates in order to maintain a strong clientele in order to compete with Financial Institutions offering Islamic base funding, particularly Islamic / Commercial Banks.

### **8. Role of Certificate-Holders:**

The Board aims to ensure that the Modaraba's Certificate Holders are kept informed about major developments affecting the Modaraba's state of affairs. To achieve this objective, information is communicated to certificate holders through quarterly, half-yearly and annual financial reports, which are also being posted on website i.e [www.popularislamicmodaraba.com](http://www.popularislamicmodaraba.com)

### **9. External Auditors:**

The existing auditors Messrs BKR Muniff Ziauddin & Company, Chartered Accountants offered themselves for appointment as on External Auditor for the year ending June 30, 2025. The Board is considering the appointment of Auditor, either existing or new one in light of SECP's Circular No. 04 of 2023 dated April 03, 2023. Application for appointment of external auditors of the Modaraba for financial year ending June 30, 2025 will be submitted to the Registrar Modaraba for his approval.

### **10. Compliance with the Code of Corporate Governance:**

The requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 set out by the Securities and Exchange Commission of Pakistan, relevant for the year ended June 30, 2024 have been duly complied with, and exceptions if any have been disclosed in the



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Statement of Compliance with the Best Practices of Corporate Governance. A statement to this effect is annexed with this report

### **11. Statutory Reserves:**

As per Modaraba Regulations, 2021 issued by Securities and Exchange Commission of Pakistan, every Modaraba may create reserves funds to which shall be credited an amount of its after tax profits or any part thereof. The Board of Directors has appropriated 20% of profit after tax towards the Statutory Reserves.

### **12. Acknowledgments:**

The Modaraba wishes to express its gratitude for the invaluable advice and assistance provided throughout the year by the Registrar Modarabas, the Securities & Exchange Commission of Pakistan, the Pakistan Stock Exchange, NBFI, the Modaraba Association of Pakistan, and all staff members of the Modaraba. It also hopes to continue to benefit from these services in the future.

**for and on behalf of the Board.**

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

**Place: Karachi**  
**Dated: October 04, 2024**



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### ڈائریکٹرز کی رپورٹ برائے سال 30 جون 2024

پاپولر اسلامک مضار بہ مینجمنٹ کمپنی (پرائیویٹ) لمیٹڈ جو پاپولر اسلامک مضار بہ کی مینجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو بہ مسرت ڈائریکٹرز کی رپورٹ مع مضار بہ کے آڈٹ شدہ گوشوارے برائے سال 30 جون 2024 پیش کرتے ہیں۔

۱۔ معیشت کا جائزہ:

مالی سال ۲۰۲۳-۲۰۲۴ کے دوران، پاکستان کی معیشت کو اہم اندرونی اور بیرونی چیلنجوں کا سامنا کرنا پڑا۔ ملک نے بڑھتی ہوئی افراط زر، کرنسی کی قدر میں کمی اور منگنے قرض کی وجہ سے سست جی ڈی پی نمو کا تجربہ کیا۔ حکومت نے مالیاتی خسارے کو سنبھالنے کیلئے بیرونی فنڈنگ اور آئی ایم ایف کے پروگراموں پر بہت زیادہ انحصار کرتے ہوئے، محصولات کے اہداف کو پورا کرنے کی پوری جدوجہد کی۔ ان چیلنجوں کے باوجود، توانائی اور ٹیکس کے شعبوں میں اصلاحات شروع کی گئیں، جسکے اثرات دیکھنا ابھی باقی ہے۔ بیرون ملک مقیم پاکستانیوں کی ترسیل زر زرمبادلہ کا ایک اہم رہی لیکن ادائیگیوں کے توازن کو مکمل طور پر مستحکم کرنے کیلئے ناکافی تھی۔ مالیاتی سال ۲۰۲۳ کے دوران پاکستان کی معیشت میں معتدل بحالی سامنے آئی، جو کہ گزشتہ برس ۰.۲۱ فیصد سکڑنے کے مقابلے میں ۲.۳۸ فیصد جی ڈی پی نمو کی عکاسی کرتی ہے۔ مالیاتی شعبہ استحکام کی جانب بڑھا، جو ٹھوس اقدامات اور مربوط اصلاحات کے باعث ممکن ہوا۔ اسٹیٹ بینک کی پالیسی ریٹ میں کمی، درآمدات، اور کرنسی کی پابندیوں میں بتدریج نرمی کاروبار کے ساتھ ساتھ مالیاتی شعبوں میں ترقی کی راہ ہموار کر رہی ہے۔

۲۔ نمایاں مالیاتی نتائج:

مالیاتی نتائج کا خلاصہ برائے سال 30 جون 2024 درج ذیل ہیں:-

برائے جون 2023	برائے جون 2024	
----- (روپے) -----		
27,721,389	45,693,425	آمدنی
(8,927,851)	(10,177,392)	آپریٹنگ اخراجات
(9,604,402)	(6,804,518)	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپری سی ایشن)
<b>9,189,136</b>	<b>28,711,515</b>	آپریٹنگ منافع
2,030,536	1,837,536	دیگر آمدنی
<b>11,219,672</b>	<b>30,549,051</b>	نفع قبل از منجمنٹ فیس
(560,984)	(1,527,453)	منجمنٹ فیس
(72,928)	(198,569)	منجمنٹ فیس پر سلیو ٹیکس
(211,715)	(576,461)	ورکرز ویلفیئر فنڈ
<b>10,374,045</b>	<b>28,246,569</b>	نفع قبل از ٹیکس
(2,399,479)	(3,550,559)	ٹیکس
<b>7,974,566</b>	<b>24,696,010</b>	نفع بعد از ٹیکس
<b>0.57</b>	<b>1.76</b>	آمدنی فی سرٹیفکیٹ





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### ۳۔ کاروبار کا جائزہ:

اللہ تعالیٰ کی مہربانی سے اس مالی سال کے اختتام پر مضاربہ کی آمدنی میں 64.83 فیصد اضافہ ہوا۔ اس سال آمدنی 45.693 ملین رہی جبکہ پچھلے سال کی آمدنی 27.721 ملین روپے تھی۔ مضاربہ نے عدالت سے باہر باہمی رضامندی سے سات ملین روپے کے وراثتی ذیقات لون کی وصولی کی ہے۔ مضاربہ کا بعد از ٹیکس منافع 24.696 ملین رہا یہی طرح آمدنی فی سٹوکیٹ 1.76 فی سٹوکیٹ رکارڈ کی گئی۔

مالی سال کے دوران مضاربہ نے رجسٹر، ایس ای سی پی سے اپنی Authorized Capital کو 140 ملین روپے سے بڑھا کر 200 ملین روپے کرنے کی اجازت لی۔ اسکے علاوہ 60 ملین روپے کے لون کو بھی other than Right Issue کے ذریعے ایکویٹی میں تبدیل کرنے کی اجازت لی۔ لون سے ایکویٹی میں تبدیلی کا عمل 30 ستمبر 2024 کو مکمل ہو گیا ہے۔

پاپولر اسلامک مضاربہ کسی بھی کلائنٹ کو فنانسنگ کی سہولت دینے سے پہلے اس کی کریڈٹ پرو فائل جس میں پیسے واپس کرنے کی صلاحیت، ہی آئی بی کی کلیئرنس، کیش فلو، اس کا کاروباری تجربہ وغیرہ دیکھا جاتا ہے اور ان سب چیزوں کی مسلسل نگرانی بھی کی جاتی ہے۔

### ۳۔ نقد منافع کی تقسیم (مہتممہ منافع):

بورڈ نے 04 اکتوبر 2024 کو منعقد ہونے والے اجلاس میں فیصلہ کیا کہ سٹوکیٹ ہولڈرز کے فائدے کی خاطر منجسٹ فیس صرف ۵ فیصد لی جائے اور 10 روپے والے سٹوکیٹ پر ایک روپیہ (10%) فی سٹوکیٹ کے حساب سے نقد منافع مہتممہ (Cash Dividend) کی منظوری دی ہے، جو 30 جون 2024 کو ختم شدہ سال کے لئے زکوٰۃ اور محصولات کی کٹوتیوں (جہاں لاگو ہوئیں) سے مشروط ہے۔

### ۵۔ شریعہ آڈٹ رپورٹ:

مضاربہ اپنے شریعہ ایڈوائزر احمد شریعہ ایڈوائسری سروس (پرائیویٹ) لمیٹڈ سے حسب ضرورت رہنمائی حاصل کرتا رہتا ہے۔ تاکہ رجسٹرڈ مضاربہ کی مشاورت سے تشکیل کردہ شریعہ آڈٹ کے طریقہ کار پر عمل درآمد کو یقینی بنایا جاسکے۔ شریعہ پالیسیوں اور ضوابط پر عمل درآمد یقینی بنانے کیلئے اندرونی شریعہ آڈیٹر مضاربہ کے روزمرہ کے امور کی دیکھ بھال کرتا ہے۔ مضاربہ کے امور پر جاری کردہ شریعہ رپورٹ برائے سال 30 جون 2024 سالانہ مالیاتی گوشواروں کے ساتھ منسلک ہے جو کہ یہ ثابت کرتا ہے کہ مضاربہ کا کاروبار شریعہ کے مطابق ہے۔

### ۶۔ نظم و ضبط کے کوڈ پر عملدرآمد:

مضاربہ نظم و ضبط کے کوڈ پر عملدرآمد کرنے کے سلسلے میں مستقل طور پر جدوجہد کر رہا ہے اور پاکستان اسٹاک ایکسچینج کے قواعد پر عمل کر رہا ہے جبکہ نظم و ضبط کے کوڈ میں درکار ہے۔ مالیاتی رپورٹنگ فریم ورک کے سلسلے میں تبدیلیات مندرجہ ذیل ہیں:

### ڈائریکٹریہ تصدیق کرتے ہیں کہ:

☆ بورڈ متعلقہ اصولوں کی پابندی کر چکا ہے۔

☆ مالیاتی حسابات جو کہ مضاربہ کی انتظامیہ نے مرتب کیا ہے جس میں تمام ترمیمات صحیح طور پر پیش کئے گئے ہیں جس میں اس کے آپریشنز، نقد قومات کے بہاؤ اور ایکویٹی میں تبدیلی کے نتائج شامل ہیں۔

☆ مضاربہ کے حسابات کیلئے کھاتوں کو درست طور پر مرتب کیا گیا ہے۔

☆ مالیاتی اسٹیٹمنٹ کی تیاری میں ہر جگہ حسابات کی پالیسی کو درست طور پر استعمال کیا گیا ہے اور حسابات کے تخمینے کے سلسلے میں مناسب ترین اور دانشمندانہ فیصلے کئے گئے ہیں۔

☆ تمام مالی حسابات مضاربہ کیپٹل ایڈوائزری (فلوئیشن اینڈ کنٹرول) آرڈیننس 1980، مضاربہ کیپٹل ایڈوائزری 1981، مضاربہ ریگولیشن 2021 اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی روشنی میں انتزاعی اکاؤنٹنگ اسٹینڈرڈز اور اسلامک اکاؤنٹنگ اسٹینڈرڈز اپناتے ہوئے تیار کی گئی ہے۔

☆ اندرونی کنٹرول کا سسٹم بے حد مضبوط ہے اور موثر طور پر عملدرآمد کیا جا رہا ہے۔

☆ مضاربہ مالی طور پر بے حد مستحکم ہے اور موثر طور پر تمام پالیسیوں کا نفاذ اور نگرانی کی جاتی ہے۔



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- ☆ مضاربہ کی موجودہ صلاحیت میں کام جاری رکھنے میں کسی رکاوٹ کا شائبہ نہیں ہے اور اس سلسلے میں کوئی قابل تفتیش بات نہیں۔
- ☆ بورڈ مضاربہ کی موجودہ صلاحیت میں کام جاری رکھنے سے مطمئن ہے اور اسی وجہ سے بورڈ مزید ایکویٹی ڈالنے کے بارے میں سوچ رہا ہے۔
- ☆ 30 جون 2024 کی تاریخ پر سیکسز، ڈیوٹیجز، محصولات اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے، سوائے اس کے جس کو مالیاتی اسٹیٹمنٹ میں ظاہر کیا گیا ہے۔
- ☆ اس سال کے دوران بورڈ آف ڈائریکٹرز کے 4 اجلاس منعقد ہوئے۔ ان میں ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے:

ڈائریکٹر کا نام	اجلاس کی تعداد جن میں حاضر رہے
جناب امام الدین شوقین	4
جناب شہباز علی ملک	4
جناب خرم عبداللہ	4
جناب ملک جنید امام	4
جناب کامران حسین مغل	4
محترمہ عائشہ مغل	4

- ☆ سرٹیفکیٹ ہولڈرز کے لئے سرٹیفکیٹ ہولڈنگ کا طرز اس سال اندر رپورٹ کے ساتھ منسلک ہے۔
- ☆ اس سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او، کینیکیکریٹری، ان کے شریک حیات اور بچوں نے مضاربہ کے سرٹیفکیٹ میں کسی قسم کا لین دین نہیں کیا۔
- ے۔ مستقبل کا منظر نامہ:

مضاربہ کی انتظامیہ ان تمام مسائل کو جو مضاربہ کے حصول کے سلسلے میں درپیش تھے، حل کرنے میں کامیاب رہی ہے۔ شریعت کے مطابق کاروبار کے ذریعے ترقی کرنے کے مقصد اور حکمت عملی کے ساتھ ہم اعلیٰ پیداواری اور منافع بخش کاروبار کی تلاش اور جستجو کرتے رہیں گے۔ ہم اس یقین کے ساتھ آگے بڑھتے رہیں گے کہ ہمارے قبیل المعاد اور طویل المدت اہداف حاصل ہو جائیں۔ ہم جدید طرز کاروبار کے ساتھ جدوجہد میں مصروف رہیں گے تاکہ موجودہ کاروبار کی بہتر ترقی اور درجہ بندی کے مقابلے میں بہتر نتائج حاصل کر سکیں جس کے ذریعے سرٹیفکیٹ ہولڈرز کو بہتر منافع پہنچا سکیں۔ موجودہ اقتصادی صورتحال اور اس کے ساتھ ساتھ اسلامی مالیاتی مصنوعات کا مسابقتی ماحول مضاربہ کے لئے ایک مشکل صورتحال پیدا کر رہا ہے۔ 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 خصوصاً طور پر وصولی اور مستقبل میں کسی بھی منفی اثر کی حفاظت اور خطرے کی تشخیص کیلئے انتظام کر رہے ہیں۔ کاروباری سرگرمیوں کو بڑھانے کیلئے نئی پروڈکٹس اور سروسز کو بھی تلاش کیا جا رہا ہے۔ اسکے علاوہ مزید ایکویٹی ڈالنے اور کسی دوسرے مضاربہ کے حصول کی بھی کوشش کی جا رہی ہے۔ انشاء اللہ ہم اس اضافہ کے رجحان کو برقرار رکھیں گے اور مستقبل میں اپنے سرٹیفکیٹ ہولڈرز کو باقاعدگی سے منافع بھی ادا کرتے رہیں گے۔ معیاری کلائینٹ کے اطمینان کے لئے ضروری ہے کہ ہم بہترین خدمات اور مسابقتی منافع کی شرح برقرار رکھیں تاکہ بڑے اسلامی مالیاتی اداروں سے مسابقت ہو سکے، ہمیں اچھے کلائینٹ کو برقرار رکھنے کیلئے مسابقتی شرح منافع پیش کرنے کی ضرورت ہے۔

۸۔ سرٹیفکیٹ ہولڈرز کا کردار:

بورڈ کا مقصد مضاربہ کے سرٹیفکیٹ ہولڈرز کو مضاربہ کے معاملات، اہم پیش رفت اور امور سے باخبر رکھنا ہے۔ ان مقاصد کو حاصل کرنے کیلئے مضاربہ کی تمام معلومات سرٹیفکیٹ ہولڈرز کو مہیا، شہامی اور سالانہ بنیادوں پر مضاربہ کی ویب سائٹ کے ذریعے فراہم کی جاتی ہے جو کہ [www.popularislamicmodaraba.com](http://www.popularislamicmodaraba.com) ہے۔





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۹۔ بیرونی آڈیٹر:

حالیہ آڈیٹر میسرز بی کے آر معین ضیاء الدین اینڈ کمپنی نے مالی سال 30 جون 2025 کیلئے اپنی تقرری کیلئے دلچسپی ظاہر کی ہے۔ بورڈ ایس این پی کے سرکٹر نمبر 04/2023 بتاریخ 03-04-2023 کی روشنی میں موجودہ یا نئے بیرونی آڈیٹر کی تقرری پر غور کر رہا ہے۔ جسکی درخواست جلد ہی رجسٹرار، مضار، کمپنیز اور مضاربہ کو ارسال کر دی جائے گی۔

۱۰۔ کارپوریٹ گورننس پر عمل درآمد:

مضاربہ نے اس سال کے دوران پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشن میں دیئے گئے کوڈ آف کارپوریٹ گورننس پر مکمل طور پر عمل کیا ہے سوائے ان چند نکات کے جو اسٹیٹمنٹ آف کمپلائنس میں واضح کئے گئے ہیں۔

۱۱۔ قانونی ذخائر:

مضاربہ کیلئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ مضاربہ ریگولیشن کے مطابق ہر مضاربہ برسرِ وقت تشکیل دینا چاہئے۔ اس کے بعد انکیس منافع کی رقم یا اس کا کوئی حصہ جمع کیا جائے گا۔ مضاربہ نے اس سال ۳۰ فیصد اپنے خالص منافع سے قانونی ذخائر میں منتقل کر دیا ہے۔

۱۲۔ اعتراف:

اس سال کے دوران مضاربہ مشکور ہے رجسٹرار مضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، این بی ایف آئی اینڈ مضاربہ ایسوسی ایشن آف پاکستان اور اپنے تمام ملازمین کی رہنمائی اور تعاون کا، اور مستقبل میں بھی اس کی امید رکھتا ہے۔

مخائبہ بورڈ

۔۔ دستخط شدہ۔۔

کامران حسین مغل

چیف ایگزیکٹو

۰۴ اکتوبر ۲۰۲۳



## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: POPULAR ISLAMIC MODARABA  
Year ending: June 30, 2024

The company has complied with the requirements of the Regulations in the following manner:

- The total number of directors are 7 (seven) as per the following:
  - Male: 6 (five)
  - Female: 1 (one)

- The composition of Board is as follows:

Category	Names
Other Non-Executive Directors	Mr. Imamuddin Shouqeen (Chairman) Mr. Shahbaz Ali Malik Mr. Malik Junaid Emam
Independent Director	Mr. Khurram Abdullah Mr. Qutbuddin Shaikh ( <i>subject to the approval of SECP, application submitted</i> )
Executive Directors	Mr. Kamran Hussain Mughal Ms. Aisha Mughal

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that record of particulars of significant policies along with the dates on which they were approved or amended has been maintained;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board of Directors of the Management Company / Certificate Holders of the Modaraba as empowered by the relevant provisions of the Act and these Regulations;
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;



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8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Modaraba will arrange Directors' Training Program (DTP) for Directors in due course of time to meet the requirement of Code of Corporate Governance. However, the following official have completed the DTP;

- **Mr. Adnan Ali – Head of Operations**

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and outsourcing of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

Audit Committee	Mr. Khurram Abdullah (Chairman) Mr. Shahbaz Ali Malik (Member) Mr. Malik Junaid Emam (Member)
HR and Remuneration Committee	Mr. Khurram Abdullah (Chairman) Mr. Malik Junaid Emam (Member) Mr. Kamran Hussain Mughal (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committee were as per following:
  - a) Audit Committee Quarterly
  - b) HR and Remuneration Committee Annually
15. The Board has outsourced the Internal Audit function to M/s. Reanda Haroon Zakaria & Company, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief



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executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the Regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for the non-compliance with the requirement, other than Regulations 3, 7, 8, 27, 32, 33 and 36 are as follows:

S.#	Reg.#	Explanation
1.	18	<b>Directors Orientation:</b> All the Directors are highly qualified and experienced; however, the Directors Training Program will be conducted for the Directors very soon.
2.	23 & 31	<b>Head of Internal Auditor and Internal Audit Function:</b> The Modaraba has outsourced its Internal Audit Function to M/s. Reanda Haroon Zakaria & Co. Chartered Accountants and designated an existing employee who is commerce graduate having 10 years' experience with the Modaraba, as coordinator between firm providing internal audit services and the Board owing to the reason that he is well acquainted with the Modaraba's accounts
3.	29 & 30	<b>Nomination and Risk Management Committee:</b> Currently the Board has not constituted a separate Nomination and Risk Management Committees and the function are being performed by the Board.

-----SD-----

**Mr. Imamuddin Shouqeen**

**Chairman**

Dated: October 04, 2024



# Popular Islamic Modaraba

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**MUNIFF ZIAUDDIN & CO.**  
Chartered Accountants

Business Executive Centre  
F/17/3, Block 8, Clifton  
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Tel: +92-21-35375127-8,  
+92-21-35872283  
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Web: [bkrpakistan.com](http://bkrpakistan.com)

**TO THE CERTIFICATE HOLDERS OF POPULAR ISLAMIC MODARABA  
REVIEW REPORT ON STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Popular Islamic Modaraba** (the Modaraba) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Modaraba Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Modaraba's personnel and review of various documents prepared by the Modaraba Management Company to comply with the Regulations.

As a part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Modaraba Management Company's corporate governance procedures and risks.

The Regulations requires the Modaraba Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approvals of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Modaraba Management Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, except for the non-compliance with Regulation no.6 of the Regulations, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba Management Company's compliance for and on behalf of the Modaraba, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2024.

Further, we draw attention to instances of non-compliance with the requirements of the non-mandatory Regulations as reflected in the para no. 19 to the Statement of Compliance with the Regulations.

Engagement Partner: Muhammad Moin Khan

Karachi.

Date: October 04, 2024

UDIN: CR202410153AmeUOT2Fj

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Other Offices:  
Islamabad & Lahore





# Popular Islamic Modaraba

## An Islamic Financial Institution



**MUNIFF ZIAUDDIN & CO.**  
Chartered Accountants

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### AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

#### Opinion

We have audited the annexed financial statements of Popular Islamic Modaraba (the Modaraba), which comprise the statement of financial position as at **June 30, 2024**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the e Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980), in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the period then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Modaraba and Popular Islamic Modaraba in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No	Key Audit Matter	How the matter was addressed in our audit
1	<b>Income from Diminishing Musharaka</b> Modaraba earns income from the Diminishing Musharaka financing which is its substantial income source (Refer note 16 to the financial statement). During the year, the Modaraba has recognized income of Rs. 31.09 million which represents an increase of Rs. 21.94 million over last year.	Our audit procedures in respect of this matter included the following: • Obtained an understanding, including the design and implementation of internal controls over recording and processing of diminishing musharaka income.

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# Popular Islamic Modaraba

## An Islamic Financial Institution

S. No	Key Audit Matters	How the matter was addressed in our audit
	<p>We identified income from diminishing musharaka financing as a key audit matter as it is one of the key performance indicators of the Modaraba and because of the potential risk that income from diminishing musharaka transactions may not be accurately recorded, recognized in the appropriate period, and not properly disclosed in the financial statements.</p>	<ul style="list-style-type: none"> <li>• Assessed the appropriateness of the Modaraba's accounting policy for recording of income and in line with the requirements of applicable law, accounting and reporting standards;</li> <li>• Matched customer contracts with the income schedule and performed recalculation on sample basis to ensure that income is appropriately recorded and also evaluated that these contracts were appropriately classified and recorded in the appropriate accounting period.</li> <li>• On sample basis, traced the rentals received from the underlying records issued to contract holders and applied substantive analytical procedures to determine any variations;</li> <li>• Recalculated the unearned portion of income and check the appropriate amount has been recorded as unearned income in liabilities.</li> </ul> <p>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of income from diminishing musharaka financing in accordance with the requirements of applicable financial reporting frameworks.</p>

### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



# Popular Islamic Modaraba

## An Islamic Financial Institution

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of e Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Modaraba Company is responsible for assessing the Modaraba's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Modaraba or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Modaraba's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Modaraba's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of e management of the Modaraba Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Modaraba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Modaraba to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



# Popular Islamic Modaraba

## An Islamic Financial Institution

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors of the Modaraba Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors of the Modaraba Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Modaraba Company in respect of the Modaraba as required by Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 (XXXI of 1980) and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year by the Modaraba were in accordance with the objects, terms and conditions of the Modaraba; and
- d) In our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Chartered Accountants  
Karachi

Date: October 04, 2024

UDIN: AR202410153aADeCN0VH





# Popular Islamic Modaraba

## An Islamic Financial Institution



### ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

## Annual Shariah Advisor's Report

For the period ended June 30, 2024

We have conducted a comprehensive review of the activities of Popular Islamic Modaraba, which is managed by Popular Modaraba Management Company (Private) Limited, for the fiscal year ending on June 30, 2024.

#### OPERATIONAL REVIEW:

In accordance with our examination, the following significant activities and developments related to Shariah compliance occurred during this period:

#### BANK ACCOUNTS:

The Modaraba exclusively operates bank accounts with Islamic Banks.

#### DISBURSEMENTS:

The Modaraba executed Diminishing Musharakah transactions for various clients. Our assessment of the documentation, contracts, and transaction flows confirms their alignment with Shariah principles. Additionally, these were duly communicated to us for Shariah approval.

#### INVESTMENTS IN ISLAMIC MUTUAL FUNDS AND EQUITY SHARES:

As of June 30, 2024, Popular Modaraba did not hold shares of any listed or unlisted companies, nor units of any mutual funds.

#### TAKAFUL:

During the period Modaraba covered its assets from Takaful Companies or Window Takaful of conventional Insurance companies.

#### CHARITABLE CONTRIBUTIONS:

The Modaraba received charity amount due to delayed payments from its clients. These funds were transferred to a dedicated charity account and will subsequently be disbursed to the approved charitable organizations.

#### CONCLUSION:

The management of Popular Islamic Modaraba has demonstrated a steadfast commitment to adhering to Shariah principles in their true essence. Hence, we affirm that, to the best of our knowledge, the business operations of Popular Islamic Modaraba remain fully Shariah compliant.

**Mufti Muhammad Ibrahim Essa**  
CEO & Director  
Alhamd Shariah Advisory Services (Pvt.) Limited

**Mufti Ubaid ur Rahman Zubairi**  
Director

August 08, 2024



Address: Flat 503, 8<sup>th</sup> Floor Ibrahim Residency, C.P & Berar Society, Karachi.

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# Popular Islamic Modaraba

## An Islamic Financial Institution

### STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

ASSETS	Note	2024 Rupees	2023 Rupees
<b>Non-Current Assets</b>			
Property and equipment - owned	4	32,453	89,151
Property and equipment - Ijarah	5	14,831,415	26,798,053
Diminishing musharaka financing	6	79,593,213	37,249,192
Deferred tax asset-net	7	3,206,335	1,954,977
		<b>97,663,416</b>	<b>66,091,373</b>
<b>Current Assets</b>			
Murabaha finance	8	37,823,806	46,690,348
Current portion of diminishing musharaka	6	33,708,297	38,682,456
Advances and other receivables	9	9,377,656	8,752,463
Cash and bank balances	10	54,080,582	8,412,360
		<b>134,990,341</b>	<b>102,537,627</b>
		<b>232,653,757</b>	<b>168,629,000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized certificate capital 14,000,000 (2023: 14,000,000) modaraba certificates of Rs. 10 each.		<b>140,000,000</b>	140,000,000
Issued, subscribed and paid-up certificate capital	11	140,000,000	140,000,000
Statutory reserve	12	29,225,542	24,286,340
Unappropriated losses		(15,593,849)	(28,970,857)
Advance against equity		60,000,000	-
		<b>213,631,692</b>	<b>135,315,483</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Security deposits against Ijarah		3,523,900	5,732,200
Deferred liability		2,344,720	2,199,164
		<b>5,868,620</b>	<b>7,931,364</b>
<b>Current Liabilities</b>			
Accrued and other liabilities	13	1,329,083	1,218,515
Current portion of security deposit against Ijarah		696,800	2,609,550
Charity payable		677,553	560,824
Provision for taxation		6,402,191	4,367,011
Unclaimed profit distribution		2,321,797	1,992,342
Loan from management company	14	-	14,000,000
Management fee payable - net		1,527,453	560,984
Sales tax on management fee		198,569	72,928
		<b>13,153,445</b>	<b>25,382,153</b>
<b>Contingencies and Commitments</b>			
	15		
		<b>232,653,757</b>	<b>168,629,000</b>

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

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Chief Executive Officer

Chief Financial Officer

Director

Director



# Popular Islamic Modaraba

An Islamic Financial Institution

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
Income	<b>16</b>	<b>45,693,425</b>	27,721,389
Operating expenses	<b>17</b>	<b>10,177,392</b>	8,927,851
Depreciation of property and equipment-Ijarah	<b>5</b>	<b>6,804,518</b>	9,604,402
		<b>16,981,911</b>	18,532,253
Other income	<b>18</b>	<b>1,837,536</b>	2,030,536
<b>Profit before management fee</b>		<b>30,549,051</b>	11,219,672
Management fee		<b>1,527,453</b>	560,984
Sales tax on management fee		<b>198,569</b>	72,928
Provision for worker's welfare fund		<b>576,461</b>	211,715
		<b>2,302,482</b>	845,627
<b>Profit before taxation</b>		<b>28,246,569</b>	10,374,045
Taxation	<b>19</b>	<b>3,550,559</b>	2,399,479
<b>Profit after taxation</b>		<b>24,696,010</b>	7,974,566
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>24,696,010</b>	7,974,566
Earnings per certificate - basic & diluted	<b>20</b>	<b>1.76</b>	0.57

*The annexed notes from 1 to 32 form an integral part of these financial statements.*

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

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**Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**





# Popular Islamic Modaraba

## An Islamic Financial Institution

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2024

	Certificate capital	Statutory reserves	Unappropriated losses	Advance against equity	Total
----- Rupees -----					
<b>Balance as at July 01, 2022</b>	140,000,000	22,691,427	(30,108,910)	-	132,582,517
Profit for the year	-	-	7,974,566	-	7,974,566
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	7,974,566	-	7,974,566
Transferred to statutory reserves at 20%	-	1,594,913	(1,594,913)	-	-
<b>Transaction with Certificate Holders</b>					
Profit distribution for the year ended June 30, 2022 at Re. 0.3744 (3.744%) per certificate	-	-	(5,241,600)	-	(5,241,600)
<b>Balance as at June 30, 2023</b>	<b>140,000,000</b>	<b>24,286,340</b>	<b>(28,970,857)</b>	-	<b>135,315,483</b>
Profit for the year	-	-	24,696,010	-	24,696,010
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	24,696,010	-	24,696,010
Transferred to statutory reserves at 20%	-	4,939,202	(4,939,202)	-	-
Advance against equity	-	-	-	60,000,000	60,000,000
<b>Transaction with Certificate Holders</b>					
Profit distribution for the year ended June 30, 2023 at Re. 0.4557 (4.557%) per certificate	-	-	(6,379,800)	-	(6,379,800)
<b>Balance as at June 30, 2024</b>	<b>140,000,000</b>	<b>29,225,542</b>	<b>(15,593,849)</b>	<b>60,000,000</b>	<b>213,631,692</b>

\* In accordance with the Prudential Regulations for Modarabas, the Modaraba is required to transfer an amount not less than 20% and not more than 50% of its after tax profits to statutory reserve until the reserve funds equals the paid-up capital. Thereafter, a sum not less than 5% of after tax profits is required to be transferred to statutory reserve.

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

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Chief Executive Officer

Chief Financial Officer

Director

Director



# Popular Islamic Modaraba

## An Islamic Financial Institution

### STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		28,246,569	10,374,045
<b>Adjustments for non cash items:</b>			
Gain on disposal of investments		(324,195)	(938,663)
Depreciation of property and equipment-owned		56,698	72,068
Provision for worker's welfare fund		576,461	211,715
Provision for gratuity		375,274	533,054
Depreciation of property and equipment-Ijarah		6,804,518	9,604,402
		<b>35,735,325</b>	<b>19,856,622</b>
<b>Decrease / (increase) in current assets</b>			
Advances and other receivables		(594,037)	1,269,675
<b>(Decrease) / increase in current liabilities</b>			
Accrued and other liabilities		110,568	106,945
Charity payable		116,729	560,824
Management fee payable		966,469	278,677
Sales tax on management fee		125,641	17,248
<b>Cash generated from operations</b>		<b>36,460,695</b>	<b>22,089,990</b>
Taxes paid		(2,797,893)	(1,503,028)
Gratuity paid		(229,719)	-
<b>Net cash generated from operating activities</b>		<b>33,433,083</b>	<b>20,586,962</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions in property and equipment - Ijarah		-	(10,799,000)
Disposal of property and equipment-Ijarah		5,401,943	265,253
Security deposit - net		(4,121,050)	2,097,642
Net Investment in diminishing musharaka		(37,203,041)	(17,467,657)
Net Investment in Murabaha finance		8,866,542	9,358,306
<b>Net cash used in investing activities</b>		<b>(27,055,606)</b>	<b>(16,545,456)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan from management company		-	7,000,000
Advance against equity		46,000,000	-
Dividend paid		(6,709,255)	(5,208,302)
<b>Net cash generated from financing activities</b>		<b>39,290,745</b>	<b>1,791,698</b>
<b>Net increase in cash and cash equivalents</b>		<b>45,668,222</b>	<b>5,833,204</b>
Cash and cash equivalents at the beginning of the year		8,412,360	2,579,156
<b>Cash and cash equivalents at the end of the year</b>	<b>10</b>	<b>54,080,582</b>	<b>8,412,360</b>

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

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Chief Executive Officer

Chief Financial Officer

Director

Director



# Popular Islamic Modaraba

## An Islamic Financial Institution

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

#### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** 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 406-410, 4th Floor, Chappal Plaza, Hasrat Mohani Road, Off I.I.Chundrigar Road, Karachi. The Modaraba is listed on the Pakistan Stock Exchange.
- 1.2** The Modaraba is engaged in various Islamic modes of financing and business including Ijarah, Musharakah, 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.
- 1.3** In the year 2013-2014, Popular Islamic Modaraba Management Company (Private) Limited purchased the entire shareholding of Islamic Investment Bank Limited (Management Company) along with management and assets of the "First Islamic Modaraba" and the same has been confirmed by the Peshawar High Court vide its order dated March 11, 2013.

#### 2 BASIS OF PREPARATION

##### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards as applicable in Pakistan comprises of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued by the under the Companies Act, 2017.
- Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations 2021 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 Companies and Modaraba Rules, 1981, Islamic Financial Accounting Standards (IFAS), the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 differ from IFRS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, IFAS, the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 have been followed.



# Popular Islamic Modaraba

## An Islamic Financial Institution

**2.2** Permissible Islamic financial products including Murabaha (as a liability) and Musharaka have been used by the Modaraba, in line with similar industry practices. The accounting and presentation of the same are in line with the substance of the transaction and are limited to the extent of actual amount of facility utilized and mutually agreed mark-up / profit thereon.

**2.3** Islamic Financial Accounting Standard (IFAS) 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan was adopted by the SECP vide SRO 431(1)/ 2007 dated May 22, 2007. Under IFAS 2, the Ijarah transactions are accounted for in the following manner:

- Mustajir (lessors) presents the assets subject to Ijarah in their balance sheet according to the nature of the asset. The Mustajir is required to distinguish these Ijarah assets from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expenses.
- Ijarah income is recognised in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

### **2.4 Basis of measurement**

These financial statements have been prepared on historical cost basis except for the measurement at fair value of certain financial instruments in accordance with the requirements of IFRS 9 'Financial Instruments', where applicable.

### **2.5 Functional and presentation currency**

These financial statements have been presented in Pakistani Rupee, which is the functional and presentation currency of the Modaraba.

### **2.6 New and amended standards and interpretations**

#### **2.6.1 Standards, interpretations of and amendments to published approved accounting standards that are effective for the year ended June 30, 2024**

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Modaraba's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	<b>Effective date (annual reporting periods beginning on or after)</b>
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice	01-Jan-2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	01-Jan-2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	01-Jan-2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	01-Jan-2023

The Modaraba adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements



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The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Modaraba to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

### 2.6.2 Standards, interpretations of and amendments to published approved accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Modaraba's operations or are not expected to have significant impact on the Modaraba's financial statements other than certain additional disclosures.

	<b>Effective date (annual reporting periods beginning on or after)</b>
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	01-Jan-2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	01-Jan-2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	01-Jan-2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller lessee subsequently measures sale and leaseback transactions	01-Jan-2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	01-Jan-2024
Amendments IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	01-Jan-2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	01-Jan-2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	01-Jan-2025
IFRS 17 Insurance Contracts	01-Jan-2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026



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IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

### 2.7 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period effected. In the process of applying the Modaraba's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

	<b>Note</b>
a) Useful life of depreciable assets/amortizable assets	3.5, 4 & 5
b) Classification of investments	3.6
c) Income tax	3.4
d) Provision for gratuity	3.11

### 3. MATERIAL ACCOUNTING POLICIES

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements. The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 3.1 Murabaha investment

Murabaha investments are stated net of provision. Provision is recognized for Murabaha investments in accordance with the time based criteria of the Prudential Regulations for Modarabas issued by SECP and subjective evaluation of management. Outstanding balances are written off when there is no realistic prospect of recovery.

Murabaha receivables are recorded by the Modaraba at the invoiced amount and disclosed as such in the balance sheet. Purchases and sales under Murabaha and the resultant profit are accounted for on the culmination of Murabaha transaction.

#### 3.2 Diminishing Musharaka financing

Diminishing Musharaka financing is stated net of provision for doubtful receivables. Provision for doubtful Musharaka receivables is recognized in accordance with Prudential Regulations for Modarabas issued by SECP or on the estimate of management, whichever is higher. Bad debts are written off when identified.





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### 3.3 Ijarah

The Modaraba provides assets to its clients under Ijarah agreements as approved by the Religious Board.

As per the requirements of IFAS-2, the Modaraba has presented assets subject to Ijarah in its balance sheet according to the nature of the asset, distinguished from the assets in own use. Income from Ijarah is recognized on accrual basis, unless another systematic basis is more representative of the time pattern in which benefit of use derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the Ijarah income are recognized as an expense.

Net investment in Ijarah is stated at present value of minimum Ijarah payments. Impairment losses on non-performing Ijarah are recognized at higher of provision required in accordance with the Prudential Regulations for Modarabas issued by SECP or at a level which in the judgment of the management is adequate to provide for potential Ijarah losses. These losses can be reasonably anticipated as the difference between the carrying amount of receivables and present value of expected cash flows discounted at the rates implicit in the Ijarah agreement.

### 3.4 Taxation

#### Current

The charge for taxation is based on taxable income at current rates of taxation after taking into account tax credits and tax rebates available, if any under the provisions of the Income Tax Ordinance, 2001.

#### Deferred

Deferred tax is recognized using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the tax base. This is recognized on the basis of expected manner of the realization and the settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

However, deferred tax is not accounted for as the management believes that the temporary differences will not reverse in the foreseeable future.

### 3.5 Fixed Assets

#### Owned

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income applying the straight line method where by the cost less estimated residual value, if any, of an asset is written off over its estimated useful life at the rates as mentioned in the Note 5.

Proportionate depreciation is charged on purchases and disposals during the year.

Maintenance and repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of assets are included in other income.



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### **Assets leased out under Ijarah and depreciation**

Ijarah (lease) assets are stated at cost less accumulated depreciation. Depreciation is charged to income applying the straight line method whereby the cost of an asset less salvage value is written off over the Ijarah (lease) period, which is considered to be the estimated useful life of the asset. In respect of additions and disposals during the year, depreciation is charged proportionately from the date of delivery of assets to the date of its maturity / termination.

Maintenance and repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of assets are included in income.

### **3.6 Financial Assets**

All the financial assets and financial liabilities are recognized at the time when Modaraba becomes a party to the contractual provisions of the instruments.

#### ***Initial Measurement***

The Modaraba classifies its financial assets into the following three categories:

- measured at amortized cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### ***Subsequent Measurement***

##### **i. Debt Instruments as FVOCI**

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

##### **ii. Equity Instruments as FVOCI**

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

##### **iii. Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

##### **iv. Financial assets measured at amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.



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### **v. Impairment of Financial Assets**

The Modaraba has adopted the requirement of IFRS 9, 'Financial Instruments' with respect to Expected Credit Loss (ECL) model. The ECL has an impact on the assets of the Modaraba which are exposed to credit risk. Provision for non performing Islamic financing is made in accordance with the Modaraba Regulation 2021 for modarabas issued by SECP vide SRO 284 (I) / 2021 dated March 05, 2021 and subsequent amendments made therein, and is charged to profit or loss. The Modaraba while recognizing provisioning for impaired assets has considered the amount which is higher of:

- the provisioning required under the Modaraba Regulation, 2021; and
- the provisioning required under IFRS 9 using the Expected Credit Loss (ECL) model.

The management also evaluates the Islamic financing receivable subjectively to further down-grade if required.

The Modaraba has adopted the requirements of ECL model as given in IFRS 9 using the modified retrospective approach. A lifetime ECL is recorded on Diminishing Musharakah Financing in which there have been significant increase in Credit Risk and which are credit impaired as on the reporting date.

Furthermore, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets other than financing assets i.e. balances with banks and other financial assets, and concluded that impact is not material to the financial statements.

### **vi. De-recognition**

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Modaraba has transferred substantially all risks and rewards of ownership.

## **3.7 Financial Liabilities**

Financial liabilities are classified as measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

## **3.8 Other Receivables**

Other receivables are stated net of impairment loss. Impairment loss is recognized for doubtful receivables on the basis of prudential regulations for Modarabas issued by SECP or based on the estimates of the management under expected credit loss method, whichever is higher. Bad debts are written off when identified. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

## **3.9 Advances**

All advances in the form of murabaha and musharaka finances are stated net of provision for doubtful debts. Provision for doubtful debts is made on the basis of Prudential Regulations for Modarabas or based on the estimates of the management under expected credit loss method, whichever is higher.

## **3.10 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks in current and deposit accounts.



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### **3.11 Staff retirement benefits**

#### **Defined benefit plan - Gratuity scheme**

The Modaraba operates defined benefit gratuity scheme for its eligible employees. Period expenses relating to gratuity scheme are charged to operating expenses under salaries, wages and other benefits.

Details of entitlement of a staff under this scheme is as follows:

- employees are entitled to defined benefit scheme after completing three years of service with the Modaraba.
- the amount of gratuity payable is equal to one month's last drawn gross salary for each completed year of eligible service with the Modaraba.

### **3.12 Revenue Recognition**

Revenue is recognized on the following basis:-

- Ijarah rentals are recognized as income on a systematic basis over the Ijarah period without considering grace period, if any.
- Profit on finances under Musharaka / Murabaha arrangements is recognized on accrual basis and additional profit, if any, is recognized on declaration by the investee company in accordance with the terms of issue.
- Dividend income is recognized when the right to receive dividend is established.
- Return on deposits with bank is recognized on accrual basis.
- Income from fee and commission is recognized as and when performance obligation is satisfied.

### **3.13 Provisions**

Lease financing installments and Diminishing musharaka financing are stated net of provision and suspense income. Provision is recognized for Lease financing installments and Diminishing musharaka financing, in accordance with the Modaraba Regulations 2021 for Modarabas. Bad debts are written-off when identified.

### **3.14 Related Party Transactions**

All transactions with related party, if any, are recorded at an arm's length basis.

### **3.15 Offsetting of Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are set off and only the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the Modaraba intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **3.16 Segment Reporting**

As per IFRS 8: "Operating Segments", segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.





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### **3.17 Contingencies**

Contingencies are disclosed when the Modaraba has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognized because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

### **3.18 Certificate capital and earning per certificate**

The Modaraba presents basic and diluted earnings per certificate data for its ordinary certificates. Basic earning per certificate is calculated by dividing the profit or loss attributable to ordinary certificate holders of the Modaraba by the weighted average number of certificates outstanding during the year. Diluted earning per certificate is determined by adjusting the profit or loss attributable to ordinary certificate holders and the weighted average number of ordinary certificates outstanding for the effects of all dilutive potential ordinary certificates.

Ordinary certificates are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of new certificates or options are shown in equity as a deduction, net of tax, from the proceeds.

### **3.19 Profit distribution and other appropriations of profit**

Profit distribution and other appropriations of profit are recognized in the year in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which these relate.



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## 4. PROPERTY AND EQUIPMENT - OWNED

Particulars	Cost at July 1, 2023	Additions during the year	Disposal/ Transfer during the year	Cost as at June 30, 2024	2024					
					Accumulated depreciation at July 1, 2023	Depreciation for the year	Adjustments for the year	Accumulated depreciation as at June 30, 2024	Carrying value at June 30, 2024	Depreciation Rate (%)
..... Rupees .....										
Furniture and fixtures	69,060	-	-	69,060	41,918	5,784	-	47,702	21,358	15
Office equipment	136,975	-	-	136,975	121,991	14,984	-	136,975	-	33
Computer equipment	123,800	-	-	123,800	76,775	35,930	-	112,705	11,095	33
<b>TOTAL</b>	<b>329,835</b>	<b>-</b>	<b>-</b>	<b>329,835</b>	<b>240,684</b>	<b>56,698</b>	<b>-</b>	<b>297,382</b>	<b>32,453</b>	

Particulars	Cost at July 1, 2022	Additions during the year	Disposal/ Transfer during the year	Cost as at June 30, 2023	2023					
					Accumulated depreciation at July 1, 2022	Depreciation for the year	Adjustments for the year	Accumulated depreciation as at June 30, 2023	Carrying value at June 30, 2023	Depreciation Rate (%)
..... Rupees .....										
Furniture and fixtures	69,060	-	-	69,060	33,465	8,453	-	41,918	27,142	15
Office equipment	136,975	-	-	136,975	94,210	27,781	-	121,991	14,984	33
Computer equipment	123,800	-	-	123,800	40,941	35,834	-	76,775	47,025	33
<b>TOTAL</b>	<b>329,835</b>	<b>-</b>	<b>-</b>	<b>329,835</b>	<b>168,616</b>	<b>72,068</b>	<b>-</b>	<b>240,684</b>	<b>89,151</b>	



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5. PROPERTY AND EQUIPMENT - IJARAH	Note	2024 Rupees	2023 Rupees					
Ijarah assets (at cost less accumulated depreciation)	5.1	<u>14,831,415</u>	<u>26,798,053</u>					
<b>5.1 Ijarah assets (at cost less accumulated depreciation)</b>								
		<b>2024</b>						
		<b>Vehicles</b>	<b>Equipment</b>					
		<b>Total</b>						
		----- Rupees -----						
<b>At July 1 2023</b>								
Cost		48,095,000	-					
Accumulated depreciation		(21,296,947)	-					
Net book value as at July 1, 2023		<u>26,798,053</u>	<u>-</u>					
Addition during the year		-	-					
Disposal during the year								
Cost		(17,028,500)	-					
Accumulated depreciation		11,866,380	-					
		(5,162,120)	-					
		(6,804,518)	-					
Depreciation charge for the year		14,831,415	-					
Closing net book value as at June 30, 2024		<u>14,831,415</u>	<u>-</u>					
<b>At June 30, 2024</b>								
Cost		31,066,500	-					
Accumulated depreciation		(16,235,085)	-					
Net book value as at June 30, 2024		<u>14,831,415</u>	<u>-</u>					
		<b>2023</b>						
		<b>Vehicles</b>	<b>Equipment</b>					
		<b>Total</b>						
		----- Rupees -----						
<b>At July 1 2022</b>								
Cost		40,445,000	-					
Accumulated depreciation		(14,576,292)	-					
Net book value as at July 1, 2022		<u>25,868,708</u>	<u>-</u>					
Addition during the year		10,799,000	-					
Disposal during the year								
Cost		(3,149,000)	-					
Accumulated depreciation		2,883,747	-					
		(265,253)	-					
		(9,604,402)	-					
Depreciation charge for the year		26,798,053	-					
Closing net book value as at June 30, 2023		<u>26,798,053</u>	<u>-</u>					
At June 30, 2023								
Cost		48,095,000	-					
Accumulated depreciation		(21,296,947)	-					
Net book value as at June 30, 2023		<u>26,798,053</u>	<u>-</u>					
<b>5.2 Details of disposal of ijarah assets are as follows:</b>								
Particulars	Cost of asset	Accumulated depreciation	Carrying value	Sales proceeds	Gain / (Loss) on disposal	Purchaser	Relationship	Mode of disposal
Toyota Corrolla	4,840,000	4,107,000	733,000	733,000	-	Value Added Services Corporation	None	Negotiation
Mastar Foton	4,300,000	3,870,000	430,000	430,000	-	Ayan Traders	None	Negotiation
Hyundai Porter H-100	2,465,500	2,218,950	246,550	246,550	-	Muhammad Aqib Isamdad	None	Negotiation
Suzuki Swift	3,023,000	470,429	2,552,571	2,792,393	239,822	Satellite Tracking Solutions	None	Negotiation
Suzuki Alto	2,400,000	1,200,000	1,200,000	1,200,000	-	Khawaja Maqbool Mustafa	None	Negotiation
	<u>17,028,500</u>	<u>11,866,379</u>	<u>5,162,121</u>	<u>5,401,943</u>	<u>239,822</u>			



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	Note	2024 Rupees	2023 Rupees
<b>6. DIMINISHING MUSHARAKA</b>			
<b>Secured</b>			
Diminishing Musharaka financing	6.1	<b>113,301,510</b>	75,931,648
Less: Current portion shown in current assets		<b>(33,708,297)</b>	(38,682,456)
		<b>79,593,213</b>	37,249,192
<b>6.1</b>	This represents diminishing musharaka financing for a term of 1 to 10 years. The profit rates on these diminishing musharaka arrangements range between 10.30% and 26.12% (2023: 18.84% and 26.12%). Diminishing musharaka arrangements are secured by way of Modaraba's title over underlying assets and demand promissory notes.		
<b>7 DEFERRED TAX ASSET- NET</b>			
Deductible temporary differences in respect of:			
		<b>As at June 30, 2023</b>	<b>30, 2024</b>
- Depreciation on fixed assets		- (2,526,366)	- (2,526,366)
- Post retirement employee benefits		- (679,969)	- (679,969)
		- (3,206,335)	- (3,206,335)
Taxable temporary differences		-	-
		- (3,206,335)	- (3,206,335)
Deductible temporary differences in respect of:			
		<b>As at June 30, 2022</b>	<b>As at June 30, 2023</b>
- Depreciation on fixed assets		- (1,317,220)	- (1,317,220)
- Post retirement employee benefits		- (637,758)	- (637,758)
		- (1,954,978)	- (1,954,978)
Taxable temporary differences		-	-
		- (1,954,978)	- (1,954,978)
<b>8. MURABAHA FINANCE - SECURED</b>			
Considered good - Performing	8.1	<b>37,823,806</b>	46,690,348
Considered doubtful - Non-performing		-	-
		<b>37,823,806</b>	46,690,348
Provision against non-performing Murabaha finance		-	-
		<b>37,823,806</b>	46,690,348
<b>8.1</b>	The profit rates on these Murabaha arrangements ranges between 12.70% and 26.99% (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 post-dated cheques varying from case to case.		
<b>9. ADVANCES AND OTHER RECEIVABLES</b>			
Advances		<b>4,024,500</b>	2,202,000
Loan to employees	9.1	<b>732,663</b>	1,125,459
Profit / rental receivable		<b>3,680,788</b>	4,072,649
Other receivable		<b>311,024</b>	754,830
Advance income tax		<b>628,681</b>	597,525
		<b>9,377,656</b>	8,752,463
<b>9.1</b>	This includes interest free loan to employees in accordance with the policy of the Modaraba duly approved by the Board.		
<b>10. CASH AND BANK BALANCES</b>			
In hand		<b>116,520</b>	114,128
<b>At banks</b>			
Deposit accounts	10.1	<b>52,542,271</b>	7,199,043
Dividend account		<b>1,337,149</b>	1,007,694
State Bank of Pakistan		<b>84,642</b>	91,495
		<b>53,964,062</b>	8,298,232
		<b>54,080,582</b>	8,412,360
<b>10.1</b>	Deposit accounts are Shariah compliant and rate of profit on deposit accounts ranges from 6.75% to 7.25% (2023: 6.70% to 7.25%) per annum.		
<b>11. CERTIFICATE CAPITAL</b>			
		<b>2024</b>	<b>2023</b>
		<b>Number of Certificates</b>	
		<b>14,000,000</b>	14,000,000
		Modaraba certificates of Rs. 10 each fully paid-up in cash	140,000,000





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	Note	2024 Rupees	2023 Rupees
<b>12. STATUTORY RESERVE</b>			
Balance at beginning of the year		<b>24,286,340</b>	22,691,427
Transferred during the year from statement of profit or loss	12.1	<b>4,939,202</b>	1,594,913
		<b>29,225,542</b>	24,286,340
<b>12.1</b>			
During the year, the Modaraba has transferred 20% of its profit after tax to statutory reserve as per the requirements of prudential regulations.			
<b>13. ACCRUED AND OTHER LIABILITIES</b>			
Accrued expenses		<b>261,400</b>	249,400
Withholding tax payable		<b>8,568</b>	3,218
Worker's welfare fund		<b>788,176</b>	211,715
Other liabilities		<b>270,940</b>	754,182
		<b>1,329,083</b>	1,218,515
<b>14. LOAN FROM MANAGEMENT COMPANY</b>	14.1	-	14,000,000
<b>14.1</b>			
The loan provided by modaraba management company is converted into advance against equity. The modaraba will issue capital certificates subsequent to the year end.			
<b>15. CONTINGENCIES AND COMMITMENTS</b>			
In the Banking Court Suit No. 2/2002 FIM v/s Trade & Others was decreed on 25-07-2003 in favor 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. The last case was fixed on September 12,2024 for order, but "Discharged" by the Honorable court. The next date of the case is fixed on November 12,2024 by the roster fixation and the Modaraba's legal counsel is confident that the same will be decided in favor of the Modaraba.			
<b>16. INCOME</b>			
Income on Murabaha		<b>3,515,058</b>	5,437,403
Income on Ijarah		<b>11,085,876</b>	13,128,332
Income on Diminishing Musharaka		<b>31,092,491</b>	9,155,654
		<b>45,693,425</b>	27,721,389
<b>17. OPERATING EXPENSES</b>			
Salaries, wages and other benefits	17.1	<b>4,291,130</b>	4,750,875
Auditors' remuneration	17.2	<b>255,000</b>	225,000
CDC charges / registrar services		<b>429,737</b>	442,384
Computer software charges		<b>150,000</b>	60,000
Postage and delivery		-	6,800
Printing and stationery		<b>234,420</b>	169,960
Fees and subscription		<b>1,621,878</b>	1,101,751
Legal and professional fee		<b>1,453,496</b>	929,240
Repair and maintenance		<b>381,059</b>	452,723
Travelling and conveyance		<b>125,131</b>	206,420
Advertisement		<b>52,000</b>	56,300
Telecommunication		<b>372,762</b>	144,322
Entertainment		<b>209,608</b>	142,610
Bank charges		<b>6,853</b>	-
Depreciation of property and equipment-owned	4	<b>56,698</b>	72,068
Professional tax		-	167,398
Miscellaneous expense		<b>537,620</b>	-
		<b>10,177,392</b>	8,927,851



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17.1 Remuneration of executives and other employees						
	2024			2023		
	Executives (Key management personnel)	Other employees	Total	Executives (Key management personnel)	Other employees	Total
----- Rupees -----						
<b>Salaries and allowances</b>						
Basic salary	1,391,951	1,468,803	2,860,753	1,567,567	1,599,683	3,167,250
Allowances	695,975	734,401	1,430,377	783,784	799,841	1,583,625
	<b>2,087,926</b>	<b>2,203,204</b>	<b>######</b>	<b>2,351,351</b>	<b>2,399,524</b>	<b>4,750,875</b>
Number of employees	<b>2</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>6</b>
<b>17.2 Auditors' remuneration</b>						
	Note	<b>2024</b>	2023			
		<b>Rupees</b>	Rupees			
Audit fee and other certifications		<b>180,000</b>	150,000			
Out of pocket		-	-			
Half year review		<b>75,000</b>	75,000			
		<b>255,000</b>	225,000			
<b>18. OTHER INCOME</b>						
Profit on deposit accounts	18.1	<b>1,255,361</b>	791,789			
Gain on early termination of diminishing musharaka / ijarah		<b>324,195</b>	938,663			
Other income - processing fee		<b>257,980</b>	300,084			
		<b>1,837,536</b>	2,030,536			
<b>18.1</b> These are earned under a Shariah permissible arrangement.						
<b>19. TAXATION</b>						
Current year		<b>4,801,917</b>	4,354,456			
Deferred tax		<b>(1,251,357)</b>	(1,954,977)			
		<b>3,550,559</b>	2,399,479			
<b>19.1</b> Returns of income of the Modaraba up to tax year 2023 (financial year ended 30 June 2023) have been filed and as per the provision of section 120 of the Income Tax Ordinance, 2001 (Ordinance) the said returns are deemed to be assessment orders.						
<b>19.2 Relationship between accounting profit and tax expense for the year</b>						
Accounting profit before taxation		<b>28,246,569</b>	10,374,045			
Tax at applicable rate of 29% (2023: 29%)		<b>8,191,505</b>	3,008,473			
Tax effect of:						
- Final tax regime and income subject to lower tax rate		<b>(1,722,550)</b>	(700,295)			
- Permanent differences		-	-			
- Others		<b>(2,913,680)</b>	91,301			
		<b>3,555,275</b>	2,399,479			
<b>20. EARNINGS PER CERTIFICATE- BASIC &amp; DILUTED</b>						
Profit after taxation		<b>24,696,010</b>	7,974,566			
Weighted average number of certificates		<b>14,000,000</b>	14,000,000			
		<b>1.76</b>	0.57			
There is no dilutive effect on basic earnings per share (2023: Nil)						



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### 21. 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:

Name of the related party	Nature of transactions	Relationship	2024 Rupees	2023 Rupees
Popular Islamic Modaraba Management Company (Pvt) Ltd.	Modaraba management fee paid	Associated Company	560,984	282,307
	Sales tax on modaraba management fee	Associated Company	72,928	55,680
	Gratuity expense	Gratuity scheme	375,274	533,054
	Modaraba management fee payable	Associated Company	1,527,453	560,984
	Sales tax on modaraba management fee payable	Associated Company	198,569	72,928
	Loan from modaraba management company	Associated Company	-	7,000,000
	Advance against equity	Associated Company	60,000,000	-
Popular Islamic Modaraba Management Company (Pvt) Ltd.	<b>Balance as at the year end</b>			
	Loan payable to modaraba management company	Associated Company	-	14,000,000
	Modaraba management fee payable	Associated Company	1,527,453	560,984
	Sales tax on modaraba management fees payable	Associated Company	198,569	72,928
	Gratuity payable	Gratuity scheme	2,344,720	2,199,164
	Advance Against equity	Associated Company	60,000,000	-

### 22. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

#### 22.1 Financial risk management

The Modaraba's objective in managing risks is the creation and protection of Certificate holder's value. Risk is inherent in the Modaraba activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Modaraba's continuing profitability. The Modaraba is exposed to market risk (which includes profit rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

- Credit risk
- Liquidity risk
- Market risk

#### 22.2 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Modaraba attempts to control credit risk by monitoring credit exposures, limiting transactions with various parties and continuous monitoring of credit worthiness of dealing parties. The management understands that the Modaraba is not exposed to any major concentration of credit risk.

##### Exposure to Credit Risk

The maximum exposure to credit risk before any credit enhancements at June 30, 2024 is the carrying amount of the financial assets as set out below:

Business	2024 Rupees	2023 Rupees
Murabaha finance	37,823,806	46,690,348
Diminishing musharaka	113,301,510	75,931,648
Loan and other receivable	4,724,475	5,952,938
Bank balances	53,964,062	8,298,232
	<b>209,813,853</b>	<b>136,873,166</b>



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### Concentration of credit risk

Concentration is the relative sensitivity of the Modaraba's performance to development affecting a particular industry or geographical location.

Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic, political and other conditions.

The Modaraba's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. Details of Modaraba's concentration of credit risk by industrial distribution are as follows:

#### Segment by class of business of Tjarah assets

	2024		2023	
	Rupees	%	Rupees	%
Cargo, trading and distribution	<b>8,437,064</b>	<b>56.89</b>	12,657,048	58.23
Individual	<b>6,033,151</b>	<b>40.68</b>	13,400,769	37.40
Hotels and resorts	<b>361,200</b>	<b>2.44</b>	740,235	4.37
	<b>14,831,415</b>	<b>100</b>	26,798,052	100

#### Segment by class of business of Diminishing Musharaka and Murabaha

	2024		2023	
	Rupees	%	Rupees	%
<b>Diminishing Musharaka</b>				
Hotels and resorts	-	<b>0.00</b>	840,238	1.11
Investment companies, firms & bank	<b>91,118,535</b>	<b>80.42</b>	61,550,839	81.06
Individuals	<b>22,182,975</b>	<b>19.58</b>	13,540,571	17.83
	<b>113,301,510</b>	<b>100</b>	75,931,648	100
<b>Murabaha</b>				
Manufacturers and Exporters	<b>29,690,718</b>	<b>78.50</b>	37,990,380	81.37
Spare parts manufacturers	<b>6,702,688</b>	<b>17.72</b>	7,500,000	16.06
Individual	<b>1,430,400</b>	<b>3.78</b>	1,199,968	2.57
	<b>37,823,806</b>	<b>100</b>	46,690,348	100

22.2.1 Modaraba's operations are restricted to Pakistan only.

#### 22.3 Credit quality

The credit quality of Modaraba's liquid funds can be assessed with reference to external credit ratings as follows:

	Rating Long Term	Rating Agency	2024 Rupees	2023 Rupees
Al-Baraka Bank Limited	A+	JCR - VIS	<b>53,879,420</b>	8,206,737

#### 22.4 Liquidity risk

The Modaraba defines liquidity risk as the risk that funds will not be available to meet liabilities as they fall due.

A range of tools is used for the management of liquidity. These comprise commitment and under writings guidelines, key balance sheet ratios and medium-term funding requirements. Moreover, day-to-day monitoring of future cash flows takes place and suitable levels of liquid reserves are maintained by the business.

	2024			
	Up to one year	One year to five years	Over five years	Total
	-----Rupees-----			
<b>Financial assets</b>				
Murabaha finance	<b>37,823,806</b>	-	-	<b>37,823,806</b>
Diminishing musharaka	<b>33,708,297</b>	<b>79,593,213</b>	-	<b>113,301,510</b>
Advances and other receivables	<b>4,724,475</b>	-	-	<b>4,724,475</b>
Cash and bank balances	<b>54,080,582</b>	-	-	<b>54,080,582</b>
	<b>130,337,160</b>	<b>79,593,213</b>	-	<b>209,930,373</b>
<b>Financial liabilities</b>				
Deferred liability	-	<b>2,344,720</b>	-	<b>2,344,720</b>
Loan from management company	-	-	-	-
Accrued and other liabilities	<b>532,340</b>	-	-	<b>532,340</b>
Charity payable	<b>677,553</b>	-	-	<b>677,553</b>
Unclaimed profit distribution	<b>2,321,797</b>	-	-	<b>2,321,797</b>
Management fee payable - net	<b>1,527,453</b>	-	-	<b>1,527,453</b>
	<b>5,059,142</b>	<b>2,344,720</b>	-	<b>7,403,864</b>
<b>On-balance sheet gap</b>	<b>125,278,018</b>	<b>77,248,493</b>	-	<b>202,526,510</b>





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	2023			Total
	Up to one year	One year to five years	Over five years	
	-----Rupees-----			
<b>Financial assets</b>				
Murabaha finance	46,690,348	-	-	46,690,348
Diminishing musharaka	38,682,456	37,249,192	-	75,931,648
Advances and other receivables	5,952,938	-	-	5,952,938
Cash and bank balances	8,412,360	-	-	8,412,360
	<b>99,738,102</b>	<b>37,249,192</b>	<b>-</b>	<b>136,987,294</b>
<b>Financial liabilities</b>				
Deferred liabilities	-	2,199,164	-	2,199,164
Loan from management company	14,000,000	-	-	14,000,000
Accrued and other liabilities	1,003,582	-	-	1,003,582
Charity payable	560,824	-	-	560,824
Unclaimed profit distribution	1,992,342	-	-	1,992,342
Management fee payable - net	560,984	-	-	560,984
	<b>18,117,732</b>	<b>2,199,164</b>	<b>-</b>	<b>20,316,896</b>
<b>On-balance sheet gap</b>	<b>81,620,370</b>	<b>35,050,028</b>	<b>-</b>	<b>116,670,398</b>

**22.5 Market risk**

The risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

**Market price risk**  
The risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities due to a change in credit rating of the issuer or the instrument, change in market segments, speculative activities, supply and demand of securities and liquidity in the market.

**Risk management**  
The Modaraba's policy is to manage price risk through diversified and selection of securities and other financial instruments within specified limits set by relevant Committee. The majority of the Modaraba's investments are publicly traded and are valued at the rates provided by State Bank of Pakistan and/or stock exchange at which is set as per the trading trend and volumes in the security.

**Profit rate risk**  
Profit rate risk arises from the effects of fluctuations in the prevailing levels of market profit rates on the fair value of financial assets and liabilities and future cash flows.

**23. CAPITAL RISK MANAGEMENT**

The Modaraba's objectives when managing capital are to safeguard the Modaraba's ability to continue as a going concern in order to provide returns for certificate holders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of dividends paid to certificate holders, return capital to Certificate holders or issue new certificates or sell assets to reduce debt.

Consistent with others in the industry, the Modaraba manages its capital risk by monitoring its liquid assets and keeping in view future investment requirements and expectation of the certificate holders

As at June 30, 2024 and 2023, the Modaraba had surplus reserves to meets its requirements.

**24. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Modaraba is of the view that the fair market value of most of the remaining financial assets and financial liabilities are not significantly different from their carrying amounts.

**24.1 Fair value hierarchy**

Fair value is defined as 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.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.  
Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).  
Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).



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24.2	Financial instruments by category	2024 Rupees	2023 Rupees
	<b>Amortized Cost</b>		
	Diminishing musharaka	113,301,510	75,931,648
	Murabaha finance	37,823,806	46,690,348
	Loan and other receivable	4,724,475	5,952,938
	Cash and bank balances	54,080,582	8,412,360
		<u>209,930,373</u>	<u>136,987,294</u>
	<b>Financial liabilities</b>		
	<b>Financial liabilities at amortized cost</b>		
	Deferred liability	2,344,720	2,199,164
	Loan from management company	-	14,000,000
	Accrued and other liabilities	532,340	1,003,582
	Charity payable	677,553	560,824
	Unclaimed profit distribution	2,321,797	1,992,342
	Management fee payable - net	1,527,453	560,984
		<u>7,403,863</u>	<u>20,316,896</u>
		<u>202,526,511</u>	<u>116,670,398</u>
<b>24.3</b>	<b>Fair value sensitivity analysis for fixed rate instruments</b>		
	The Modaraba does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.		



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### 25. YIELD/PROFIT RATE RISK EXPOSURE

The information about Modaraba's exposure to yield rate risk, based on contractual refinancing or maturity dates whichever is earlier, is as follows:

2024	Effective yield / Profit risk	Yield / Profit bearing maturity			Non Yield / Profit bearing maturity			Grand total
		within one year	After one year	sub total	within one year	After one year	sub total	
		----- Rupees -----						
	%							
<b>Financial assets</b>								
Murabaha Finance	12.70% - 26.99%	37,823,806		37,823,806	-	-	-	37,823,806
Diminishing Musharaka Finance	10.30% - 26.12%	33,708,297	79,593,213	113,301,510	-	-	-	113,301,510
Advances and other receivables		-	-	-	4,724,475	-	4,724,475	4,724,475
Cash and bank balances	6.75% - 7.25%	52,542,271	-	52,542,271	1,538,311	-	1,538,311	54,080,582
	(A)	124,074,374	79,593,213	203,667,587	6,262,786	-	6,262,786	209,930,373
<b>Financial liabilities</b>								
Deferred liability		-	-	-	-	2,344,720	2,344,720	2,344,720
Accrued and other liabilities		-	-	-	532,340	-	532,340	532,340
Charity payable		-	-	-	677,553	-	677,553	677,553
Unclaimed profit distribution		-	-	-	2,321,797	-	2,321,797	2,321,797
Management fee payable - net		-	-	-	1,527,453	-	1,527,453	1,527,453
	(B)	-	-	-	5,059,142	2,344,720	7,403,864	7,403,864
<b>Total yield / profit risk sensitivity gap</b>	(A)-(B)	124,074,374	79,593,213	203,667,587	1,203,644	(2,344,720)	(1,141,078)	202,526,510
2023	Effective yield / Profit risk	Yield / Profit bearing maturity			Non Yield / Profit bearing maturity			Grand total
		within one year	After one year	sub total	within one year	After one year	sub total	
		----- Rupees -----						
	%							
<b>Financial assets</b>								
Murabaha Finance	12.70% - 26.99%	46,690,348		46,690,348	-	-	-	46,690,348
Diminishing musharaka finance	18.84% - 26.12%	38,682,456	37,249,192	75,931,648	-	-	-	75,931,648
Advances and other receivables		-	-	-	5,952,938	-	5,952,938	5,952,938
Cash and bank balances	6.70% - 7.25%	7,199,043	-	7,199,043	1,213,317	-	1,213,317	8,412,360
	(A)	92,571,847	37,249,192	129,821,039	7,166,255	-	7,166,255	136,987,294
<b>Financial liabilities</b>								
Loan from Management company		-	-	-	14,000,000	-	14,000,000	14,000,000
Deferred liability		-	-	-	-	2,199,164	2,199,164	2,199,164
Accrued and other liabilities		-	-	-	1,003,582	-	1,003,582	1,003,582
Charity payable		-	-	-	560,824	-	560,824	560,824
Unclaimed profit distribution		-	-	-	1,992,342	-	1,992,342	1,992,342
Management fee payable - net		-	-	-	560,984	-	560,984	560,984
	(B)	-	-	-	18,117,732	2,199,164	20,316,897	20,316,897
<b>Total yield / profit risk sensitivity gap</b>	(A)-(B)	92,571,847	37,249,192	129,821,039	(10,951,477)	(2,199,164)	(13,150,642)	116,670,398

Yield risk is the risk of decline in earnings due to adverse movements of the yield curve.



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### 26. INFORMATION ABOUT BUSINESS SEGMENTS

Description	June 30, 2024				
	Diminishing Musharaka	Ijarah	Murabaha	Others	Total
----- Rupees -----					
Segment revenues	<b>31,092,491</b>	<b>11,085,876</b>	<b>3,515,058</b>	<b>1,837,536</b>	<b>47,530,962</b>
<b>Segment Results</b>					
Segment income	<b>31,092,491</b>	<b>11,085,876</b>	<b>3,515,058</b>	<b>1,837,536</b>	<b>47,530,962</b>
Operating expenses	<b>6,657,565</b>	<b>2,373,722</b>	<b>752,649</b>	<b>393,456</b>	<b>10,177,392</b>
Depreciation - Ijarah	-	<b>(6,804,518)</b>	-	-	<b>(6,804,518)</b>
Workers' welfare fund	-	-	-	<b>576,461</b>	<b>576,461</b>
Segment results	<b>37,750,056</b>	<b>6,655,080</b>	<b>4,267,707</b>	<b>2,807,453</b>	<b>51,480,297</b>
<b>Other Information</b>					
Fresh disbursements	<b>65,130,580</b>	-	-	-	<b>65,130,580</b>
Depreciation	-	<b>(6,804,518)</b>	-	-	<b>(6,804,518)</b>
<b>Assets and Liabilities</b>					
Segment assets	<b>113,301,510</b>	<b>14,831,415</b>	<b>37,823,806</b>	<b>9,377,656</b>	<b>175,334,387</b>
Unallocated assets	-	-	-	<b>57,319,370</b>	<b>57,319,370</b>
Total segment assets	<b>113,301,510</b>	<b>14,831,415</b>	<b>37,823,806</b>	<b>66,697,027</b>	<b>232,653,757</b>
<b>Segment liabilities</b>					
Security deposits	-	<b>4,220,700</b>	-	-	<b>4,220,700</b>
Unallocated liabilities	-	-	-	<b>14,801,366</b>	<b>14,801,366</b>
Total segment liabilities	-	<b>4,220,700</b>	-	<b>14,801,366</b>	<b>19,022,066</b>
<b>Total net assets</b>					<b>213,631,692</b>



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Description	June 30, 2023				
	Diminishing Musharaka	Ijarah	Murabaha	Others	Total
	----- Rupees -----				
Segment revenues	9,155,654	13,128,332	5,437,403	2,030,536	29,751,925
<b>Segment Results</b>					
Segment income	9,155,654	13,128,332	5,437,403	2,030,536	29,751,925
Operating expenses	2,747,396	3,939,503	1,631,636	609,316	8,927,851
Depreciation - Ijarah	-	(9,604,402)	-	-	(9,604,402)
Workers' welfare fund	-	-	-	211,715	211,715
Segment results	11,903,050	7,463,433	7,069,039	2,851,567	29,287,089
<b>Other Information</b>					
Fresh disbursements	60,492,000	10,799,000	25,000,000	-	96,291,000
Depreciation	-	(9,604,402)	-	-	(9,604,402)
<b>Assets and Liabilities</b>					
Segment assets	75,931,648	26,798,053	46,690,348	8,752,463	158,172,512
Unallocated assets	-	-	-	10,456,488	10,456,488
Total segment assets	75,931,648	26,798,053	46,690,348	19,208,951	168,629,000
<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
Total segment liabilities	-	8,341,750	-	24,971,767	33,313,517
<b>Total net assets</b>					<u>135,315,483</u>





# Popular Islamic Modaraba

## An Islamic Financial Institution

### 27. OPERATING RISK

Operational Risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Modaraba's operations either internally within the Modaraba or externally at the Modaraba's service providers, and from external factors other than credit market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Modaraba's activities.

The Modaraba's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for certificate holders. The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors of the Management Company. This responsibility encompasses the controls in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective.

### 28. NUMBER OF EMPLOYEES

	2024	2023
Total number of employees end of the year	<u>6</u>	<u>6</u>
Average number of employees during the year	<u>6</u>	<u>6</u>

### 29. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Management Company has approved dividend at the rate of Rs. 1.00/- per certificate (2023: Re.0.4557 per certificate) for the year ended June 30, 2024, resulting in a total distribution of profit amounting to Rs. 14.00 million (2023: Rs. 6.3789 million), in its meeting held on October 04, 2024. These financial statements do not reflect this proposed distribution which will be incorporated in the financial statements for the year ending June 30, 2024.

### 30. CORRESPONDENCE FIGURES

Prior year's figures have been reclassified for the purpose of better presentation and comparison where considered necessary.

### 31. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the board of directors of the Management Company and authorized for issue on October 04, 2024.

### 32. GENERAL

The figures have been rounded off to the nearest rupees.

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

---SD---

---SD---

---SD---

---SD---

**Chief Executive Officer**

**Chief Financial Office**

**Director**

**Director**



# Popular Islamic Modaraba

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## Pattern of Shareholding As of June 30, 2024

# Of Shareholders	Shareholdings'Slab	Total Shares Held	
57	1 to	100	1,522
768	101 to	500	379,960
59	501 to	1000	58,001
49	1001 to	5000	142,007
20	5001 to	10000	169,898
12	10001 to	15000	165,025
7	15001 to	20000	125,700
7	20001 to	25000	163,811
2	25001 to	30000	56,000
3	35001 to	40000	106,340
2	45001 to	50000	95,500
1	65001 to	70000	65,660
2	70001 to	75000	141,700
1	95001 to	100000	100,000
1	100001 to	105000	102,267
1	105001 to	110000	105,475
1	110001 to	115000	111,500
1	115001 to	120000	118,333
4	775001 to	780000	3,113,252
2	1555001 to	1560000	3,113,050
1	5560001 to	5565000	5,564,999
<b>1001</b>			<b>14,000,000</b>



# Popular Islamic Modaraba

## An Islamic Financial Institution

### Pattern of Shareholding Report As of June 30, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors, Cheif Executive Officer, and their spouse(s) and minor children</b>			
MALIK JUNAID EMAM	1	1,556,625	11.12
IMAMUDDIN SHOUQEEN	1	1,556,425	11.12
SHAHBAZ ALI MALIK	1	778,313	5.56
NAWABZADA KAMRAN HUSSAIN MUGHAL	1	100	0.00
<b>Associated Companies, undertakings and related parties</b>	4	7,899,938	56.43
<b>NIT &amp; ICP</b>	1	16,700	0.12
<b>Banks Development Financial Institutions, Non Banking Financial Financial In</b>	3	28,000	0.20
<b>Insurance Companies</b>	-	-	-
<b>Modarabas and Mutual Funds</b>	-	-	-
<b>General Public</b>			
a. Local	975	1,966,288	14.04
b. Foreign	2	501	0.00
<b>Foreign Companies</b>	-	-	-
<b>Others</b>	12	197,110	1.41
<b>Totals</b>	<b>1,001</b>	<b>14,000,000</b>	<b>100.00</b>
<b>Share holders holding 10% or more</b>			
MALIK JUNAID EMAM		1,556,625	11.12
IMAMUDDIN SHOUQEEN		1,556,425	11.12
POPULAR ISLAMIC MODARABA MANAGEMENT COMPANY (PVT.) LIMITED		5,564,999	39.75



# Popular Islamic Modaraba

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## **NOTICE OF ANNUAL REVIEW MEETING**

Notice is hereby given to the certificate holders that Eleventh (11<sup>th</sup>) Annual Review Meeting of **Popular Islamic Modaraba** will be held on **Monday October 28, 2024 at 10:15 a.m.** at 901-903, 9<sup>th</sup> Floor, Chapal Plaza, Hasrat Mohani Road, Off. I.I.Chundrigar Road, Karachi for review the performance of the Modaraba for the year ended June 30, 2024.

*By order of the Board*

---SD--  
**Aisha Mughal**  
**(Company Secretary)**

Karachi : October 07, 2023

### **Notes:**

**1. CLOSURE OF SHARE TRANSFER BOOKS:**


The Modaraba Certificates Transfer Book will remain closed from **October 21, 2024 to October 28, 2024** (both days inclusive) to determine the names of Certificate Holders eligible to attend the Annual Review Meeting. The transfers received in order at the office of the Share Registrar, M/s. Central Depository Company of Pakistan, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi by the close of business hours on **October 19, 2024** will be considered the eligibility to attend the Annual Review Meeting.

**2. WITHHOLDING TAX ON DIVIDEND:**

Withholding tax on dividend will be deducted in pursuant to the relevant section of the Income Tax Ordinance, 2001, from payment of dividend to the Filer and Non-Filers, accordingly.

**3. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON MODARABA'S WEBSITE:**

The Annual Audited Financial Statement alongwith Reports of the Modaraba can be accessed through the following weblink and QR enabled code.

<b>Weblink</b>	<b>QR Code</b>
<a href="https://popularislamicmodaraba.com/financial-reports/">https://popularislamicmodaraba.com/financial-reports/</a>	



# Popular Islamic Modaraba

## An Islamic Financial Institution

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#### **4. PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE:**

Under the provisions of Section 242 of the Companies Act 2017, it is mandatory for a listed Company to pay cash dividend to its Certificate Holders only through electronic mode directly into Bank account designated by the entitled Certificate Holders. Therefore, all the Certificate Holders of Popular Islamic Modaraba are hereby advised to provide dividend mandate of their respective Banks in the Dividend Mandate Form available on Modaraba's website. Certificate Holders maintaining Certificate holding under CDS are advised to submit their Bank account mandate information directly to the relevant participant / CDC Investor Account Service.

In case of non-compliance, the Modaraba will be constrained to withhold payment of dividend to such Certificate Holder.

#### **5. CONVERSION OF PHYSICAL CERTIFICATES INTO CDS:**

In compliance with the requirements of Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace physical certificates with book-entry form in a manner as may be specified and from the date notified by the SECP, with a period not exceeding four years from the commencement of the Companies Act, that is May 30, 2017.

Certificate Holders having physical certificates are requested to convert their certificates from physical form into book entry form as early as possible. It would facilitate the certificate holders in many ways including safe custody of certificates, no loss of certificates, avoidance of formalities required for issuance of duplicate certificates and readily available for sale and purchase in open market at better rates.

#### **6. UNCLAIMED DIVIDENDS:**

In accordance with the provisions of Section 244 of the Companies Act, 2017, any dividend declared by the Modaraba, which remain unclaimed for a period of three years from the date it is due and payable, the Modaraba shall give ninety days notices to the Certificate Holders to file claim, if no claim is made before the Modaraba by the Certificate Holders, the Modaraba shall proceed to deposit the unclaimed Dividends with the Federal Government in compliance with the Section 244 of the Companies Act, 2017. In case no claim is received within the given period from the aforesaid Notice, the Modaraba shall proceed to deposit the unclaimed amount with the Federal Government pursuant to provision of sub-section (2) of Section 244 of the Companies Act, 2017.





# Popular Islamic Modaraba

## An Islamic Financial Institution

### اطلاع برائے سالانہ جائزہ اجلاس

بزرگ نمائندگیوں کے لیے اطلاع کیا جاتا ہے کہ پاپلر اسلامک مضاربہ کے سرٹیفکیٹ ہولڈرز کا (گیارواں) سالانہ جائزہ اجلاس 30 جون 2024 کو ختم ہونے والے سال کے لیے 903-901 نوٹس منزل، چیمپل پارک، حسرت موہانی روڈ، آئی، آئی، چندریگر روڈ، کراچی بروز پیر 28 اکتوبر 2024 بوقت صبح 10:15 بجے منعقد ہوگا۔

تعمیر پورٹ

--- دستخط شدہ ---

عائشہ منگل

(کمپنی سیکریٹری)

07 اکتوبر 2024

کراچی۔

نوٹس:

1۔ سرٹیفکیٹ ٹرانسفر بکس:

مضاربہ کا سرٹیفکیٹ ٹرانسفر جسٹس مورسہ 21 اکتوبر 2024 سے 28 اکتوبر 2024 (بشمول دونوں دن) تک بند رہیگا اور درج بالا دنوں میں کوئی منتقلی قبول نہیں ہوگی۔ سالانہ اجلاس میں شرکت کے سلسلے میں ہمارے شیئر رجسٹرار، سی ڈی سی پاکستان، 99 بی، بلاک بی، مین شارع فیصل، کراچی کو مورسہ 19 اکتوبر 2024 کو دفتری اوقات ختم ہونے تک موصول ہوئے ٹرانسفر بروقت اور سالانہ جائزہ اجلاس میں شرکت کے اہل تصور کیے جائیں گے۔

3۔ منافع منقسمہ پر وہ ہولڈنگ ٹیکس کی کوٹنی:

ڈیویڈنڈ پر وہ ہولڈنگ ٹیکس کی کوٹنی انکم ٹیکس آرڈیننس کی متعلقہ شق کے مطابق فائلرز اور نوٹن فائلرز سے علیحدہ کی جائے گی۔

3۔ سالانہ گوشواروں کی دستیابی:

پاپلر اسلامک مضاربہ کے سالانہ گوشواروں تک مندرجہ ذیل ویب لنک اور کیو آر کوڈ کے ذریعے رسائی حاصل کی جاسکتی ہے۔

ویب لنک

کیو آر کوڈ

<https://popularislamicmodaraba.com>

/financial-reports/





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۵۔ منافع منقسمہ کی برقیاتی طریقے سے ادائیگی (لازمی):

کمپنیز ایکٹ ۲۰۱۷ کی سق نمبر ۲۳۲ کے مطابق لسٹ کمپنی کیلئے یہ لازمی قرار دیا گیا ہے کہ سرٹیفکیٹ ہولڈر کو نقد منافع منقسمہ کی ادائیگی برقیاتی طریقے سے کرے۔ اسلئے پاپولر اسلامک مضاربہ کے تمام سرٹیفکیٹ ہولڈر کو مشورہ دیا جاتا ہے کہ مضاربہ کی ویب سائٹ پر دستیاب ڈیویڈنڈ مینڈیٹ فارم میں اپنے متعلقہ بنک کو اختیار منافع منقسمہ (یعنی ڈیویڈنڈ مینڈیٹ) فراہم کرے۔ وہ سرٹیفکیٹ ہولڈر جو سی ڈی ایس کے تحت سرٹیفکیٹ ہولڈنگ برقرار رکھے ہوئے ہیں کو مشورہ دیا جاتا ہے کہ وہ اپنی بنک مینڈیٹ انفارمیشن براہ راست متعلقہ شریک/سی ڈی ایس انوسٹر اکاؤنٹ کو جمع کرا دیں۔ بنک اکاؤنٹ کی عدم دستیابی یا نامکمل معلومات کی صورت میں مضاربہ ایسے سرٹیفکیٹ ہولڈرز کے منافع منقسمہ کی ادائیگی روک لی جائے گی۔

۶۔ فزیکل سرٹیفکیٹس کا سی ڈی ایس میں تبادلہ:

کمپنیز ایکٹ ۲۰۱۷ کی سق نمبر ۲۳۲ کے مطابق لسٹ کمپنی کیلئے یہ لازمی قرار دیا گیا ہے کہ کمپنیز ایکٹ کے آغاز (تاریخ ۳۰ مئی ۲۰۱۷ کے چار سالوں کے اندر تمام فزیکل سرٹیفکیٹس کو برقی (الیکٹرانک) بنک انٹری) میں تبدیل کر لیں۔ لہذا، ایسے سرٹیفکیٹ ہولڈرز جن کے پاس مضاربہ کے فزیکل سرٹیفکیٹس موجود ہیں جلد از جلد انہیں سی ڈی ایس میں تبدیل کروا لیں۔ اس سے سرٹیفکیٹ ہولڈرز کو بہت سے فوائد حاصل ہونگے جیسا کہ، سرٹیفکیٹس کی محفوظ تھویل، ڈیویڈنڈ سرٹیفکیٹس کے اجراء کیلئے درکار تہی تقاضوں سے گریز اور بہتر نرخوں پر اوپن مارکیٹ میں خرید و فروخت کیلئے آسانی سے دستیابی۔

۷۔ غیر دعویدار منافع منقسمہ:

کمپنیز ایکٹ ۲۰۱۷ کی سق نمبر ۲۳۲ کے مطابق، مضاربہ کی جانب سے اعلان کردہ کوئی بھی منافع منقسمہ، جو کہ تاریخ اور ادائیگی کی تاریخ سے تین سال کی مدت تک غیر دعویدار رہتا ہے اسے مضاربہ نوے دن کا نوٹس دے گا۔ اسکے بعد بھی اگر کوئی دعویدار نہیں آیا تو مضاربہ ایسا تمام غیر دعویدار منافع منقسمہ وفاقی حکومت کو ادا کر دے گا۔



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