



Popular Islamic Modaraba
An Islamic Financial Institution

Quarterly Accounts
September 30, 2024
(Un-Audited)

Managed By:

Popular Islamic Modaraba
Management Company (Pvt.) Limited



Popular Islamic Modaraba

An Islamic Financial Institution

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CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Imamuddin Shouqeen Mr. Shahbaz Ali Malik Mr. Khurram Abdullah Mr. Malik Junaid Emam Mr. Kamran Hussain Mughal Ms. Aisha Mughal	- Chairman & Director - Managing Director - Independent Director - Director - Director & Chief Executive - Director & Company Secretary
AUDIT COMMITTEE	Mr. Khurram Abdullah Mr. Shahbaz Ali Malik Mr. Malik Junaid Emam	- Chairman - Member - Member
HR COMMITTEE	Mr. Khurram Abdullah Mr. Malik Junaid Emam Kamran Hussain Mughal	- Chairman - Member - Member
SHARIAH ADVISOR	Al-Hamd Shariah Advisory Services (Pvt.) Limited	
COMPANY SECRETARY	Ms. Aisha Mughal	
CHIEF FINANCIAL OFFICER	Mr. Nadeem Ahmed Mazari	
BANKERS	Albaraka Bank (Pakistan) Limited Meezan Bank Limited	
AUDITORS	BKR International Muniff Ziauddin & Co. Chartered Accountant	
LEGAL ADVISOR	Syed Sikandar Ali Shah - Advocate M/s. Shah Associates	
MANAGEMENT COMPANY	Popular Islamic Modaraba Management Company (Pvt.) Ltd	
REGISTERED OFFICE	406-410, 4th Floor, Hasrat Mohani Road, Off. I.I.Chundrigar Road, Karachi.	
SHARE REGISTRAR	Central Depository Company of Pakistan CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi	



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DIRECTORS' REPORT

The Board of Directors of the Popular Islamic Modaraba Management Company (Pvt.) Limited, the Management Company of Popular Islamic Modaraba ("Modaraba"), is pleased to present the unaudited financial statements of the Modaraba for first quarter ended September 30, 2024.

The summarized financial results for the quarter ended September 30, 2024 are as under:

	Un-Audited Sep-24	Un-Audited Sep-23
	<i>(Rupees)</i>	
Income	11,418,255	7,694,456
Operating expenses	(1,927,505)	(1,783,456)
Depreciation of Ijarah Assets	(1,474,267)	(2,693,500)
Profit before management fee	8,016,483	3,217,500
Management Fee	(400,824)	(160,875)
Sales tax on management fee	(52,107)	(20,914)
Profit before taxation	7,563,552	3,035,711
Taxation	(2,193,430)	(880,356)
Profit after taxation	5,370,122	2,155,355
Earning per certificate - basic & diluted	0.27	0.15

Review of Operations:

During the first quarter the financial performance of Modaraba was quite satisfactory. The Modaraba booked income of Rs. 11.418 million as compared to Rs.7.694 million in the preceeding period. The profit after tax amounted to Rs. 5.370 million which was increased by 149% as compared to the correspondence period accordingly the EPC stood at Re.0.27 per certificate.

Future Outlook:

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

Acknowledgement:

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

For and on behalf of the Board

Kamran Hussain Mughal
Chief Executive Officer

October 25, 2024
Karachi.



پاپولر اسلامک مضرابہ
اسلامی مالیاتی ادارہ

ڈائریکٹرز کی رپورٹ برائے سہ ماہی 30 ستمبر 2024

پاپولر اسلامک مضرابہ منیجمنٹ کمپنی (پرائیویٹ) لمیٹڈ جو پاپولر اسلامک کی منیجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو بہ مسرت ڈائریکٹرز کی رپورٹ برائے سہ ماہی 30 ستمبر 2024 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

برائے ستمبر 2023	برائے ستمبر 2024	
7,694,456	11,418,255	آمدنی
(1,783,456)	(1,927,505)	آپریٹنگ اخراجات
(2,693,500)	(1,474,267)	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپریسی ایشن)
3,217,500	8,016,483	منافع قبل از منیجمنٹ فیس
(160,875)	(400,824)	منیجمنٹ فیس
(20,914)	(52,107)	منیجمنٹ فیس پر سٹریٹجکس
3,035,711	7,563,552	نفع قبل از ٹیکس
(880,356)	(2,193,460)	ٹیکس
2,155,355	5,370,122	نفع بعد از ٹیکس
0.10	0.27	آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ:

پہلی سہ ماہی کے دوران مضرابہ کی کارکردگی قدرتی بخش رہی، مضرابہ نے گزشتہ مدت کے 7,694 ملین آمدنی کے مقابلے میں 11,418 ملین کی آمدنی دیکھائی۔ بعد از ٹیکس آمدنی میں 149 فیصد اضافہ دیکھا گیا۔ آمدنی فی سرٹیفکیٹ 0.27 پیسہ ریکارڈ کی گئی۔

مستقبل کے امکانات:

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

اعتراف:

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

-- دستخط شدہ --

کامران حسین مغل

چیف ایگزیکٹو

25 اکتوبر 2024



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BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2024

Un-audited
Sep-24
Audited
Jun-24
(RUPEES)

ASSETS

NON CURRENT ASSETS

Property and equipment - owned	22,043	32,453
Property and equipment - ijarah	13,357,148	14,831,415
Long Term Investment-Diminishing Musharaka	122,968,338	79,593,213
Deferred tas asset-net	3,206,335	3,206,335
	139,553,864	97,663,416

CURRENT ASSETS

Short term morabaha finance	37,689,345	37,823,806
Current portion of Diminishing Musharakah	27,110,141	33,708,297
Advances and other receivables	4,823,756	9,377,656
Cash and bank balances	31,535,177	54,080,582
	101,158,419	134,990,341

TOTAL ASSETS

240,712,283 **232,653,757**

EQUITY AND LIABILITIES

Authorized certificate capital

14,000,000 (2024: 14,000,000) modaraba
certificates of Rs. 10 each

200,000,000 **140,000,000**

Certificate holders' equity

Certificate capital	200,000,000	140,000,000
Statutory reserve	29,225,542	29,225,542
Accumulated profit	(10,223,728)	(15,593,849)
Advance against equity	-	60,000,000
	219,001,814	213,631,692

NON-CURRENT LIABILITIES

Security deposits against Ijarah	3,523,900	3,523,900
Deferred liability	2,344,720	2,344,720
	5,868,620	5,868,620

CURRENT LIABILITIES

Accrued and other liabilities	1,373,037	1,329,083
Current portion of security deposits	696,800	696,800
Provision for taxation	677,553	677,553
Unclaimed profit distribution	8,595,621	6,402,191
Payable to management company	2,319,887	2,321,797
Management fee payable	1,928,277	1,527,453
Sales tax on management fee	250,676	198,569

TOTAL LIABILITIES

15,841,849 **13,153,445**

CONTINGENCIES & COMMITMENTS

240,712,283 **232,653,757**

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



Popular Islamic Modaraba

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PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	<u>Un-Audited</u> <u>Sep-24</u> <u>(RUPEES)</u>	<u>Un- Audited</u> <u>Sep-23</u> <u>(RUPEES)</u>
Income	9,164,044	7,304,951
Operating expenses	(1,927,505)	(1,783,456)
Depreciation of Ijarah Assets	(1,474,267)	(2,693,500)
Operating profit	5,762,272	2,827,995
Other Income	2,254,211	389,505
Profit before management fee	8,016,483	3,217,500
Management fee	(400,824)	(160,875)
Sales tax on management fee	(52,107)	(20,914)
	(452,931)	(181,789)
Profit before taxation	7,563,551	3,035,711
Taxation	(2,193,430)	(880,356)
Profit after taxation	5,370,121	2,155,355
Other comprehensive income	-	-
Total comprehensive income	5,370,121	2,155,355
Earnings per certificate - basic & diluted	0.27	0.15

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



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CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Un-audited Sep-24	Un-audited Sep-23
	(RUPEES)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,563,551	3,035,711
Adjustments for:		
Depreciation expense	10,410	16,540
Depreciation of assets leased out under ijarah	1,474,267	2,693,500
	1,484,677	2,710,040
Operating profit before working capital changes	9,048,228	5,745,751
Decrease / (Increase) in current assets		
Current portion of morabaha finance	134,461	16,012,130
Current portion of long term investment D.M	6,598,156	2,744,664
Advances and other receivables	4,553,900	(7,417,314)
	11,286,517	11,339,480
Increase/(decrease) in current liabilities		
Accrued and other liabilities	42,043	128,685
Management fee payable	400,824	160,873
Sales tax on management fee	52,107	20,914
	494,974	310,472
Net cash generated from operation	20,829,719	17,395,703
CASH FLOW FROM INVESTING ACTIVITIES		
Ijarah assets transfer-net	-	6,765,500
Security deposit from ijarah	-	(676,650)
Investment in murabaha finance	-	(16,012,130)
Investment in diminishing musharakah	(43,375,125)	9,643,853
Net cash generated / (used in) investing activities	(43,375,125)	(279,427)
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net increase in cash & cash equivalent	(22,545,404)	17,116,277
Cash and cash equivalents at the beginning of the year	54,080,582	8,412,360
Cash and cash equivalents at the end of the year	31,535,177	25,528,637

For Popular Islamic Modaraba Management Company (Private) Limited
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DIRECTOR

DIRECTOR



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STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Certificate Capital	Statutory Reserve	Accumulated profit	Advance against equity	Total
	----- (Rupees) -----				
Balance as at June 30, 2023	140,000,000	24,286,340	(28,970,857)	-	135,315,483
Profit for the Year	-	-	24,696,010	-	24,696,010
Additional in paidup capital	-	-	-	-	-
Dividend on profit	-	-	(6,379,800)	-	(6,379,800)
Transferred to statutory reserve	-	4,939,202	(4,939,202)	-	-
Advance against equity	-	-	-	60,000,000	60,000,000
Balance as at June 30, 2024	140,000,000	29,225,542	(15,593,849)	60,000,000	213,631,692
Profit for the Period	-	-	5,370,121	-	5,370,121
Additional in paidup capital	60,000,000	-	-	-	60,000,000
Advance against equity	-	-	-	(60,000,000)	(60,000,000)
Dividend on profit	-	-	-	-	-
Balance as at September 30, 2024	200,000,000	29,225,542	(10,223,728)	-	219,001,814

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



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NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Popular Islamic Modaraba is a multipurpose, perpetual Modaraba formed under the Modaraba and Modaraba (floatation and control) Ordinance, 1980 and the rules framed there under and is managed by the Popular Islamic Modaraba Management Company (Private) Limited (formerly by Islamic Investment Bank Limited - under liquidation), a company incorporated in Pakistan under the Companies Ordinance, 1984 and registered with Registrar of Modaraba Companies. The registered office of the modaraba is situated at 406-410, 4th Floor, Chapal Plaza, Hasrat Mohani Road, Off I.I.Chundrigar Road, Karachi. The Modaraba is listed on the Pakistan Stock Exchange.

The Modaraba is engaged in various Islamic modes of financing and business including Ijarah, Diminishing Musharakah, Murabahah, also considering for trading in listed securities and other commodities.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017. The requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules 1981 and directives issued by the SECP differ with the requirements of IFRS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules 1981 or directives issued by the SECP prevail.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain financial assets which are stated at fair value.

These Condensed interim financial statements are unaudited and being submitted to Certificate Holders as required under Rule 10 of Modaraba Companies and Modaraba Rules 1981.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Modaraba in the preparation of these condensed interim financial information are the same as those applied in preparation of the preceding published financial statements of the Modaraba for the year ended June 30, 2024.

	Un-audited September 30, 2024	Audited June 30, 2024
	(Rupees)	
5. PROPERTY & EQUIPMENTS - (OWNED)		
Book value at the beginning of the period/year	32,453	89,151
Depreciation charged	<u>(10,410)</u>	<u>(56,698)</u>
Book value at the end of the period/year	<u>22,043</u>	<u>32,453</u>
6. PROPERTY & EQUIPMENTS - (IJARAH)		
Book value at the beginning of the period/year	14,831,415	26,798,053
Deletion - net	-	(5,162,120)
Depreciation charged	<u>(1,474,267)</u>	<u>(6,804,518)</u>
Book value at the end of the period/year	<u>13,357,148</u>	<u>14,831,415</u>

7. CONTINGENCIES & COMMITMENTS

Contingencies and commitments are those as disclosed in the audited financial statements for the year ended June 30, 2024.

8. RELATED PARTY TRANSACTIONS

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

Nature of Transaction	Relationship with the Company		
Management fee	Management company	400,824	1,527,453
		<u>400,824</u>	<u>1,527,453</u>

9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **October 25, 2024** by the Board of Directors of Popular Islamic Modaraba Management Company (Private) Limited.

10. General

Figures have been rounded off to the nearest Rupee.

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR