



POPULAR ISLAMIC MODARABA

An Islamic Financial Institution

ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2019

If undelivered please return to :
Popular Islamic Modaraba
15 Floor Chapal Plaza, Hasrat Mohani Road, Off. I.I. Chundrigar
Road, Karachi-74000, Pakistan



Managed by :

Popular Islamic Modaraba
Management Company (Pvt.) Ltd



POPULAR ISLAMIC MODARABA

An Islamic Financial Institution

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

BOARD OF DIRECTORS	Mr. Imamuddin Shouqeen Mr. Shahbaz Ali Malik Mr. Khurram Abdullah Mr. Malik Junaid Emam Mr. Kamran Hussain Mughal Mr. Muhammad Riaz	- Chairman - Director - Independent Director - Director - Director / Company Secretary - Chief Executive Officer
AUDIT COMMITTEE	Mr. Khurram Abdullah Mr. Shahbaz Ali Malik Mr. Malik Junaid Emam	- Chairman - Member - Member
HR COMMITTEE	Mr. Khurram Abdullah Mr. Malik Junaid Emam Mr. Muhammad Riaz	- Chairman - Member - Member
SHARIAH ADVISOR	Mufti Mohammad Ibrahim Essa	
COMPANY SECRETARY	Mr. Kamran Hussain Mughal	
CHIEF FINANCIAL OFFICER	Mr. Ali Hasan Kalroo	
BANKERS	Albaraka Bank (Pakistan) Limited Meezan Bank Limited	
AUDITORS	Baker Tilly Mehmood Idress Qamar Chartered Accountant	
LEGAL ADVISOR	Zafar Ali Shah Advocate Bukhari Law Associates	
MANAGEMENT COMPANY	Popular Islamic Modaraba Management Company (Pvt.) Ltd	
REGISTERED OFFICE	15th Floor, Hasrat Mohani Road, Off. I.I.Chundrigar Road, Karachi.	
SHARE REGISTRAR	Central Depository Company of Pakistan CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi	



Review Report by the Chairman on Board's overall performance u/s 192 of the Companies Act, 2017

It is my privilege to write to you once more and I welcome this opportunity to share with you our 2019 performance and talk about how we are aligning internally and externally as a company to deliver a more valuable services of Popular Islamic Modaraba to its stakeholders. By the grace of Allah, Your Modaraba has had another successful year with an increase in profit before tax by 65.33% from Rs. 2.935 million to Rs. 4.854 million as compared to corresponding last year. The Net profit increased by 84.16% from Rs. 2.627 million to Rs. 4.839 million. We are pleased to declare first final cash dividend at Rs. 0.348 per certificate of Rs.10/- each i.e 3.485% and wish more in future ahead.

For the past six years, I have been entrusted with the responsibility to serve as Chairman of the Board, and during this period I have endeavoured to increase focus on performance of Modaraba. A performing, sustainable thought leader in its category endeavouring to serve our country, community and people, both clients and employees.

We also believe that the role of the Board is as important as the Management and each have their part to play in the leadership of the organization. The Board needs to be far-sighted in its role, while the Managements responsibility is to deliver prompt and oriented results. It is my privilege to share that the composition of current Board includes Directors with competencies in developing vision, leadership, dignity, innovation, risk assessment and effective governance framework.

I confirm that the Board of Directors of your Modaraba, received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The Board received appropriate and adequate various management reports for their discussion and decisions. Further, Board members openly and freely exchanged their views on different matters presented to the Board in their meetings.

The Board also carried out the annual review of its effectiveness and performance on a self-assessment basis. The assessment is based on the basic principles of fairness, integrity and accountability with prime focus to enhance the Modaraba performance. For the Financial year ended June 30, 2019, the overall performance of the Board has been satisfactory. Moreover, the Overall performance of the Modaraba is a manifestation of service to the stakeholders and society, and every Director has made a valuable contribution toward this end.

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.

Imamuddin Shouqeen
Chairman

September 20, 2019



بورڈ آف ڈائریکٹرز کی کارکردگی پر چیئرمین کی جائزہ رپورٹ

یہ میرے لئے اعزاز کی بات ہے کہ میں ایک بار پھر آپ لوگوں سے مخاطب ہوں اور میں اس موقع کو خوش آمدید کرتے ہوئے آپ کو مضاربہ کی ۲۰۱۹ کی کارکردگی کے بارے میں بتانا چاہتا ہوں اور ہم نے بطور کھٹی 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۔ اللہ تعالیٰ کی مہربانی سے آپ کے مضاربہ کیلئے ایک اور کامیاب سال رہا۔ مضاربہ کا خالص منافع 84.16 فیصد اضافے کے ساتھ 4.839 ملین روپے تک بڑھ گیا۔ سال 2018 میں 2.627 ملین تھا۔ مجھے یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ مضاربہ نے مالی سال جون ۲۰۱۹ کے اختتام پر 0.348 فی ٹیٹ (3.485%) نقد منافع تقسیم کا اعلان کیا اور مستقبل میں اس سے زیادہ کی امید ہے۔

گزشتہ چھ سالوں میں مجھے بطور چیئرمین خدمات سر انجام دینے کی ذمہ داری دینے کے مجھ پر اعتماد کا اظہار کیا گیا ہے اور اس مدت میں میں نے کوشش کی کہ مضاربہ کی کارکردگی کو مزید بہتر بنایا جائے۔ اس حیثیت میں میں مسلسل سے سوچ چلا اور کوشش کرتا رہا کہ اپنے ملک، عوام، گاہکوں اور ملازمین کی بہتر خدمت کر سکوں۔ ہم اس بات پر بھی یقین رکھتے ہیں کہ مضاربہ کی اہمیت میں میں نے ایک ادارے کی قیادت میں اہم کردار ادا کرتا ہے۔ بورڈ کو اپنے کردار میں دورانہ پیش ہونا چاہیے، جبکہ انتظامیہ کی ذمہ داری نتائج دینا ہے۔ میرے لیے یہ اعزاز کی بات ہے کہ آپ کے علم میں لاؤں کہ موجودہ بورڈ میں وہ ڈائریکٹرز شامل ہیں جو ادارے میں اہمیت، قیادت، وقار، جدت، کاروباری خطرے کے تخمینہ اور موثر نظم و ضبط میں اضافہ کرنے کی اہلیت رکھتے ہیں۔

بورڈ کے اراکین کو بورڈ اور کمیٹی کے اجلاسوں سے متعلق ایجنڈا اور دیگر متعلقہ دستاویزات تحریری طور پر اجلاسوں سے پہلے پیشوا دی جاتی رہی ہیں۔ اس کے علاوہ بورڈ کے اراکین کو مباحثوں اور فیصلوں کیلئے مختلف کے متعلق مختلف رپورٹس بھی بروقت ارسال کی جاتی رہی ہیں۔ بورڈ کے اراکین مختلف معاملات پر آزادانہ طور پر اپنی رائے کا اظہار کرتے رہے ہیں۔ بورڈ اپنی کارکردگی اور موثر بین کاسال جائزہ دیتا ہے۔ اس تخمینہ کا بنیادی مقصد اور اصول غیر جانبداری، دیانتداری، اور احتساب کا احاطہ کرتے ہوئے مضاربہ کی کارکردگی کو بڑھانا ہے۔ ۲۰۱۹ جون ۳۰ کو اختتام پزیر سال میں، بورڈ کی مجموعی کارکردگی اہمیتان بخشی رہی۔ مزید ہے کہ مضاربہ کی مجموعی کارکردگی شرکاء مفاد اور سوسائٹی کیلئے خدمت کا مظاہر 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۔

امام الدین شوقین
چیئرمین

20 ستمبر 2019



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 Audited Financial Statements and Auditor's Report for the year ended June 30, 2019.

The summarized financial results for the year ended June 30, 2019 are as under:

	2019	2018
	------(Rupees)-----	
Income	25,066,909	29,950,166
Operating expenses	(7,116,217)	(7,567,826)
Depreciation of Ijarah Assets	(14,013,815)	(19,886,608)
Operating profit	3,715,335	2,495,732
Other income	1,447,273	1,081,806
Provision reversal against loss / write-offs	200,000	(200,000)
Profit before management fee	5,584,152	3,377,538
Management fee	(558,415)	(337,754)
Sales tax on management fee	(72,594)	(43,908)
Provision for worker's welfare fund	(99,063)	(59,917)
Profit before taxation	4,854,080	2,935,959
Taxation		
-Current	-	(733,989)
-Prior	(14,980)	425,607
Profit after taxation	4,839,100	2,627,577
Other comprehensive income	-	-
Total comprehensive income	4,839,100	2,627,577
Earnings per certificate - basic & diluted	0.48	0.26

Review of Operations:

By the Grace of Almighty Allah, the performance of Popular Islamic Modaraba during the year continued to be very strong under review in spite of reduction in industry spreads and stiff competition with Islamic Banks.

The Modaraba attained Income to the tune of Rs. 25.066 million. The Modaraba booked profit before management fee of Rs. 5.584 million, against the profit before management fee of Rs. 3.377 million in the corresponding period of the last year.



The Modaraba's profit after tax increased by 84.16% from Rs. 2.627 million to Rs. 4.839 million compared to corresponding last year. This was achieved mainly due to increase in disbursements and some portfolio alignment. The operating and depreciation expenses decrease by 23% from Rs.27.454 million to Rs.21.130 million mainly due to switch Ijarah portfolio into Diminishing Musharakah. The Earning Per Certificate has been worked out at Re. 0.48 as compared to the EPC of corresponding year that was Re. 0.26.

The Popular Islamic Modaraba manages and monitors risk exposure very prudently. The 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.

Profit Distributions:

The Board in its meeting held on September 20, 2019 has approved the distribution of profit at Re. 0.348 per certificate of Rs.10/- each i.e 3.48%, subject to deduction of zakat and tax at source where applicable, for the year ended June 30, 2019.

Shari'ah Audit Report:

The Modaraba continues to seek guidance from its Shari'ah Advisor, Mufti Muhammad Ibrahim Essa, CEO 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 Shari'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, 2019 is attached with the Annual Financial Statements which confirms that the Business of Modaraba is Shari'ah Compliant.

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, 2017 and the Rule Book of 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 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.
- International Financial Reporting Standards, as applicable to Modarabas in 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, 2019 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:

Name of Director	Meetings Attended
Mr. Imamuddin Shouqeen	4
Mr. Shahbaz Ali Malik	4
Mr. Khurram Abdullah	4
Saiyed Faiq Husain (resigned 31-12-2018)	2
Mr. Malik Juanid Emam	4
Mr.Kamran Husain Mughal	4
Mr. Muhammad Riaz (appointed 15-03-2019)	2

- 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.



Change in Chief Executive:

The following changes have taken place in Board of Directors of the Popular Islamic Modaraba Management Company (Pvt.) Ltd., the management company of Popular Islamic Modaraba since the Directors' report for the year ended June 30, 2018:

- Saiyed Faiq Husain resigned from the office of Chief Executive Officer on December 31, 2019. Mr. Muhammad Riaz was appointed in his place on March 15, 2019.

The Board wishes to place on record its appreciation and gratitude for the valuable contributions made to the outgoing CEO and extends a warm welcome and cooperation to the newly appointed CEO in performing their fiduciary responsibility.

Future outlook:

With the aim and strategy of growing with Shariah compliant businesses, we would keep exploring and opting high yield businesses. We trust that we would keep going as per our short and long term plans for the future and would endeavor to outperform our existing results with innovative approach that would result in better returns for the Certificate Holders. The current economic situation along with a very competitive environment for Islamic Financial Products has resulted a very challenging outlook for the Modaraba. The Management of your Modaraba is proactively studying available options which would best protect and preserve certificate holders' interest in the future. We are making all possible efforts to augment the system, and special emphasis is being placed on recoveries and careful risk assessment to safeguard any adverse impact in future. New products and services are being explored to enhance our business generating activities. We are trying to avail funds on cheaper rate to increase the profitability of Modaraba. We are also considering to inject fresh equity or acquire any other Modaraba. We are fully geared to maintain this upward trend and Inshah Allah foresee to achieve better results and to regularly pay progressive rate of return to the certificate holders of the Modaraba in very near future.

For induction of quality customer base, it requires efficient services and competitive rates of profit. In order to compete with institutions offering Islamic base funding specially Islamic Commercial Banks, we need to offer highly competitive profit rates to keep good clientele.

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)



DIRECTORS' REPORT

External Auditors:

The existing auditors Messrs Baker Tilly Mehmood Idrees Qamar, Chartered Accountants, being eligible for appointment and upon their consent to act as auditors, the Board has approved their appointment as external auditors of the Modaraba for financial year ending June 30, 2020 subject to the approval of Registrar Modaraba.

Compliance with the Code of Corporate Governance:

The requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 set out by the Securities and Exchange Commission of Pakistan, relevant for the year ended June 30, 2019 have been duly complied with, and exceptions if any have been disclosed in the Statement of Compliance with the Best Practices of Corporate Governance. A statement to this effect is annexed with this report

Statutory Reserves

As per requirement of Rule 2 of Part III of Prudential Regulation for Modaraba as issued by the Securities and Exchange Commission of Pakistan, the Modaraba has transferred 20% of net profit to its Statutory Reserves.

Acknowledgments:

The Modaraba is thankful to the invaluable guidance and support of the Registrar Modarabas, the Securities & Exchange Commission of Pakistan, Pakistan Stock Exchange, NBF and Modaraba Association of Pakistan and all Staff Members of the Modaraba during the year, and looks forward to receiving the same in future as well.

for and on behalf of the Board.

Muhammad Riaz
Chief Executive

Place: Karachi
Dated: September 20, 2019

ڈائریکٹرز کی رپورٹ برائے سال 30 جون 2019

پاپولر اسلامک مڈارابہ منجمنٹ کمپنی (پرائیویٹ) لمیٹڈ جو پاپولر اسلامک مڈارابہ کی منجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو یہ مسرت ڈائریکٹرز کی رپورٹ مع مڈارابہ کے آڈٹ شدہ گوشوارے برائے سال 30 جون 2019 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

برائے جون 2018	برائے جون 2019
31,031,972	25,066,909
(7,567,826)	(7,116,217)
(19,886,608)	(14,013,815)
(200,000)	200,000
3,377,538	5,584,152
(337,754)	(558,415)
(43,908)	(72,594)
(59,917)	(99,063)
2,935,959	4,854,080
(308,382)	(14,980)
2,627,577	4,839,100
0.26	0.48

آمدنی
آپریٹنگ اخراجات
اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپریسی ایشن)
منگولک وصولی کے خلاف فراہمی (پروویژن)
نفع قبل از منجمنٹ فیس
منجمنٹ فیس
منجمنٹ فیس پر پبلنگ فیس
ورکرز ملٹی فیر فنڈ
نفع قبل از ٹیکس
ٹیکس
نفع بعد از ٹیکس
آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ:

اللہ تعالیٰ کی مہربانی سے، زیر فور سال میں صنعتی شعبے کے کم چلاؤ اور اسلامی بنکیوں سے شدید مسابقت کے باوجود مڈارابہ کی کارکردگی انتہائی شاندار رہی۔ اس مالی سال کے اختتام پر مڈارابہ کی آمدنی 25,066,909 روپے رہی۔ نفع قبل از منجمنٹ فیس 5,584,152 روپے رہا جو کہ پچھلے سال 3,377,538 روپے تھا۔ اس سال کا خاص منافع 4,839,100 روپے رہا جبکہ پچھلے سال کا خاص منافع 2,627,577 روپے تھا۔ اسکی بنیادی وجہ سرمایہ کاری میں اضافہ اور کچھ پورٹ فولیو کی ہم آہنگی ہے۔ آپریٹنگ اخراجات اور اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپریسی ایشن) میں کمی آئی اس کی وجہ اجارہ پورٹ فولیو کی ڈیویڈنڈ مشاشر میں منتقلی ہے۔ فی سرٹیفکیٹ آمدنی 0.48 پیسے رہی، جو کہ پچھلے سال 0.26 تھی۔



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

نقد منافع کی تقسیم (منقسمہ منافع):

بورڈ نے 20 ستمبر 2019 کو منعقد ہونے والے اجلاس میں 10 روپے والے سٹیٹکٹ پر 0.348 پیسے (3.48%) فی سٹیٹکٹ کے حساب سے نقد منافع منقسمہ (Cash Dividend) کی منظوری دی ہے، جو 30 جون 2019 کو ختم شدہ سال کے لئے زکوٰۃ اور محصولات کی کوتیوں (جہاں لاگو ہوگی) سے شرط ہے۔

شرعیہ آڈٹ رپورٹ:

مضاربہ اپنے شرعیہ ایڈوائزر مفتی محمد ابراہیم عسی سے حسب ضرورت رہنمائی حاصل کرتا رہا ہے۔ تاکہ ریزر وار مضاربہ کی مشاورت سے تشکیل کردہ شرعیہ آڈٹ کے طریقہ کار پر عمل درآمد کو یقینی بنایا جاسکے۔ شرعیہ پالیسیوں اور ضوابط پر عمل درآمد یقینی بنانے کیلئے اندرونی شرعیہ آڈیٹر مضاربہ کے رومرہ کے امور کی دیکھ بھال کرتا ہے۔ مضاربہ کے امور پر جاری کردہ شرعیہ رپورٹ برائے سال 30 جون 2019 سالانہ مالیاتی گوشواروں کے ساتھ منسلک ہے جو کہ یہ ثابت کرتا ہے کہ مضاربہ کا کاروبار شرعیہ کے مطابق ہے۔

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 ایکچینج کے قواعد پر عمل کر رہا ہے جیسا کہ نظم و ضبط کے کوڈ میں درکار ہے۔ مالیاتی رپورٹنگ فریم ورک کے سلسلے میں تفصیلات مندرجہ ذیل ہیں:

ڈائریکٹریہ تصدیق کرتے ہیں کہ:

- ☆ مالیاتی حسابات جو کہ مضاربہ کی انتظامیہ نے مرتب کیا ہے، جس میں تمام ہزموں صحیح طور پر پیش کئے گئے ہیں، جس میں اس کے آپریٹرز، نقد قدمات 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 تیار میں ہر جگہ حسابات کی پالیسی کو درست طور پر استعمال کیا گیا ہے اور حسابات کے تخمینے کے سلسلے میں مناسب ترین اور دائرہ اعتدال فیصلے کئے گئے ہیں۔
- ☆ مالیاتی اسٹیٹمنٹ، پاکستان میں مضاربہ پر لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی بنیاد پر تیار کئے گئے ہیں۔
- ☆ اندرونی کنٹرول کا سسٹم بے حد مضبوط ہے اور موثر طور پر عملدرآمد کیا جا رہا ہے۔



- ☆ مضاربہ مالی طور پر بے حد مضبوط ہے اور موثر طور پر تمام پالیسیوں کا نفاذ اور نگرانی کی جاتی ہے۔
- ☆ مضاربہ کی موجودہ صلاحیت میں کام جاری رکھنے میں کسی رکاوٹ کا شہ 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 2019 کی تاریخ پر سیکسز، ڈیویڈنڈ، محصولات اور چارجز کی مدد 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 نے 4 اجلاس منعقد ہوئے۔ ان میں ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے:

ڈائریکٹر کا نام	اجلاس کی تعداد جن میں حاضر ہے
جناب امام الدین شوکتین	4
جناب شہباز بلبل ملک	4
جناب فخر محمد اللہ	4
جناب سید فائق حسین (31 دسمبر 2018 کو مستعفی ہوئے)	2
جناب ملک بیٹیہ امام	4
جناب کامران حسین مغل	4
جناب محمد ریاض (15 مارچ 2019 کو منتخب ہوئے)	2

- ☆ سرٹیفکیٹ ہولڈرز کے لئے سرٹیفکیٹ ہولڈنگ کا طرز اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ☆ اس سال کے دوران ڈائریکٹرز، ڈی ای او، ایف او، کچینی سیکرٹری، ان کے شریک حیات اور بچوں نے مضاربہ کے سٹیٹکٹ میں کسی قسم کا لین دین نہیں کیا۔

چیف ایگزیکٹو آفیسر کی تبدیلی:

۳۰ جون ۲۰۱۹ کو اختتام پذیر ہونے والے سال سے پاپولر اسلامک مضاربہ منجھت کمپنی جو کہ پاپولر اسلامک مضاربہ کی منجھت کمپنی ہے اس میں مندرجہ ذیل تبدیلیاں آچکی ہیں:
جناب سید فائق حسین صاحب ۳۱ دسمبر ۲۰۱۸ کو چیف ایگزیکٹو آفیسر کے عہدے سے مستعفی ہوئے اور ان کی جگہ ۱۵ مارچ ۲۰۱۹ کو جناب محمد ریاض منتخب ہوئے۔
بورڈ جانے والے چیف ایگزیکٹو آفیسر کی خدمات کو سراہتا ہے اور نوبتاً چیف ایگزیکٹو آفیسر کا گرم جوشی سے استقبال کرتا ہے۔

مستقبل کا منظر نامہ:

مضار بہ کی اہتمام میں تمام مسائل کو جو مضار بہ کے حصول کے سلسلے میں درپیش تھے حل کرنے میں کامیاب رہا ہے۔ شریعت کے مطابق کاروبار کے ذریعے ترقی کرنے کے مقصد اور حکمت عملی کے ساتھ ہم اہلی پیداواری اور منافع بخش کاروباری تلاش اور جستجو کرتے رہے گے۔ ہم اس یقین کے ساتھ آگے بڑھتے رہے گے کہ ہمارے فیصلے معاد اور طویل المدت اہداف حاصل ہو جائیں۔ ہم جدید طرز کار و بار کے ساتھ جدوجہد میں مصروف رہیں گے تاکہ موجودہ کاروباری نتائج اور درجہ بندی کے مقابلے میں بہتر نتائج حاصل کر سکیں جس کے ذریعے سرٹیفکیٹ ہولڈرز کو بہتر منافع پہنچائیں۔ موجودہ اقتصادی صورتحال اور اس کے ساتھ ساتھ اسلامی مالیاتی مصنوعات کا سابقہ باقی ماحول مضار بہ کے لئے ایک مشکل صورتحال پیدا کر رہا ہے۔ آپ کے مضار بہ کی انتظامیہ ان تمام دستیاب آئٹمز پر تحقیق کر رہی ہے جن سے مستقبل میں سرٹیفکیٹ ہولڈرز کے مفادات کا تحفظ کیا جاسکے۔ ہم مضار بہ 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 تخفیف کیلئے انتظام کر رہے ہیں۔ کاروباری سرگرمیوں کو بڑھانے کیلئے نئی پروڈکٹس اور سرمایہ کاری کی تلاش کیا جا رہا ہے۔ اسکے علاوہ مزید ایکویٹی ڈالنے اور کسی دوسرے مضار بہ 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 بھانگی سے منافع بھی ادا کریں گے۔

معیاری کلائینٹ کے اطمینان کے لئے ضروری ہے کہ ہم بہترین خدمات اور مسابقتی منافع کی شرح 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۔

سرٹیفکیٹ ہولڈرز کا کردار:

بورڈ کا مقصد مضار بہ کے سرٹیفکیٹ ہولڈرز کو مضار بہ کے معمولات، اہم پیش رفت اور امور سے باخبر رکھنا ہے۔ ان مقاصد کو حاصل کرنے کیلئے مضار بہ کی تمام معلومات سرٹیفکیٹ ہولڈرز کو سماجی، شہماہی اور سالانہ بنیادوں پر مضار بہ کی ویب سائٹ کے ذریعے فراہم کی جاتی ہے جو کہ www.popularislamicmodaraba.com ہے۔

بیرونی آڈیٹر:

حال آڈیٹر میسرز ربا کر تلی جمو اور سٹارٹس چارٹرڈ اکاؤنٹنٹس نے مالی سال 30 جون 2020 کیلئے اپنی تقرری کیلئے دلچسپی ظاہر کی ہے۔ ایڈوکیٹڈ آف ڈارکٹرز نے رجسٹرار آف مضار بہ کیپٹل اور مضار بہ چارج کی منظوری سے شروعات آڈیٹر مقرر کرنے کی منظوری دے دی ہے۔

کارپوریٹ گورننس پر عمل درآمد:

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

قانونی ذخائر:

مضار بہ کیلئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ پروڈیٹس ریگولیشن کے حصہ ۳ کے رول ۲ کے مطابق مضار بہ نے اس سال ۲۰ فیصد اپنے خالص منافع سے قانونی ذخائر میں منتقل کر دیا ہے

اعتراف:

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

منجانب بورڈ

محمد ریاض

چیف ایگزیکٹو

۲۰ ستمبر ۲۰۱۹



**Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2017**

Year ending June 30, 2019

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

1. The total number of directors are 6 (six) as per the following:

- a. Male: 6 (six)
- b. Female: 0 (zero)

2. 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
Executive Directors	Mr. Kamran Hussain Mughal Mr. Muhammad Riaz - Chief Executive Officer (deem to be Director)

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

4. 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.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. 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.

7. 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.

8. The Board of Directors 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 for Directors in due course of time to meet the requirement of Code of Corporate Governance.

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 Mr. Malik Junaid Emam
HR and Remuneration Committee	Mr. Khurram Abdullah (Chairman) Mr. Malik Junaid Emam Mr. Muhammad Riaz

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. Haroon Zakaria & Company, Chartered Accountant 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 or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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 other requirements of the Regulations have been complied with.

Mr. Imamuddin Shouqeen
Chairman

Dated: September 20, 2019



AUDITORS REPORT



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Chartered Accountants
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**TO THE CERTIFICATE HOLDERS OF POPULAR ISLAMIC MODARABA
REVIEW REPORT ON STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") prepared by the Board of Directors of **Popular Islamic Modaraba** (the Modaraba), for the year ended June 30, 2019 in accordance with the requirements of regulation 40 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 part of our audit of the 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 Directors' 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 require 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.

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Following instance(s) of non-compliance with the requirement(s) of the Regulations were observed which are not stated in the statement of compliance:

1. The Chief Financial Officer is not a member of a recognized body of professional accountant. However, he is applying for the membership of PIPFA which is recognized body of Professional accountant.
2. The Company has not arranged Directors' Training Program during the year. Further, as per the requirements of Clause (a) Regulation 20 of the Regulations, at least half of the directors on the Board has not completed their Directors' Training Program.
3. The Head of Internal Audit has not been appointed.

Based on our review, except for the above instance(s) of non-compliance, 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, 2019.

Engagement Partner: Mehmoed A. Razzak

Karachi.

Date: September 20, 2019



AUDITORS REVIEW REPORT



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AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of **POPULAR ISLAMIC MODARABA** (the Modaraba) as at June 30, 2019 and the related statement of profit or loss and other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (*here in after referred to as the financial statements*), for the year then ended 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 our audit.

These financial statements are the Modaraba Management Company's [Popular Islamic Modaraba Management Company (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the Modaraba Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;

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- b) in our opinion:

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules 1981, and are in agreement with the books of accounts and are further in agreement with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were accordance with the objects, terms and conditions of the Modaraba.

- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, statement of profit or loss and other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of Modaraba's affairs as at June 30, 2019 and of its profit, total comprehensive income, cash flows and changes in equity for the year then ended;

- d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Baker Tilly Mehmood Idrees Qamar


Engagement Partner: Mehmood A. Razzak

Karachi.

Date: September 20, 2019



SHARIAH ADVISORS REPORT



ALHAMD SHARIAH ADVISORY SERVICES
(PVT) LIMITED

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
نحمده ونصلي على رسوله الكريم
Shariah Advisor's Report
For the period ended June 30, 2019

We have reviewed the affairs of Popular Islamic Modaraba managed by Popular Modaraba Management Company (Private) Limited for the year ended June 30, 2019. Based on our review, the following were the major activities / developments in respect of Shariah that took place during this period:

BANK ACCOUNTS:
For investment and operational purposes, Modaraba is operating the Bank accounts maintained with Islamic Banks.


FRESH DISBURSEMENTS:
Modaraba has disbursed Financing Facilities to different clients. We confirm that, all Documentation, Contracts and Transaction Flows were in line with Shariah and duly communicated to the undersigned for Shairah Approval.

INVESTMENTS IN ISLAMIC MUTUAL FUNDS AND EQUITY SHARES:
Currently PIM is not dealing in Shariah Complaint Shares listed in Pakistan Stock Exchange (PSX), directly. The management is considering to invest in PSX in due course of time. Therefore, as on June 30, 2019 the Modaraba did not hold Shares of any Listed / Unlisted Company or units of any Mutual Fund(s).

TAKAFUL:
During the period Modaraba took most welcomed step in respect of adopting Takaful arrangement for security of the assets and insured its assets from Takaful Companies or Window Takaful of conventional Insurance companies.

CHARITY
Modaraba has received some Charity Amount on account of late payment which has been transferred into separate Charity Account, and donated to a Charitable Organization subsequent to the period.

CONCLUSION:
Generally, the Management of Popular Islamic Modaraba has effectively shown its sincerity to comply with Shariah Rulings in its true spirit, therefore, we are of the view that the business operations of Popular Islamic Modaraba are Shariah Compliant up to the best of our knowledge.


Mufti Ubaid ur Rahman Zubairi
 Director
 Alhamd Shariah Advisory Services (Private) Limited
 September 11, 2019

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BALANCE SHEET
AS AT JUNE 30, 2019

ASSETS	Note	2019 Rupees	2018 Rupees
Non-Current Assets			
Property and equipment - owned	5	15,770	20,675
Property and equipment - Ijarah	6	21,159,909	41,393,402
Long term murabaha finance	7	2,898,621	921,977
Long term Investment-diminishing musharaka	9	41,321,200	27,237,920
		65,395,500	69,573,974
Current Assets			
Short term murabaha finance	7	24,266,866	23,591,767
Short term modaraba finance	8	-	800,000
Current portion of diminishing musharaka	9	13,637,381	9,048,563
Advances and other receivables	10	3,065,395	16,348,957
Cash and bank balances	11	14,205,853	6,168,668
		55,175,495	55,957,955
		120,570,995	125,531,929
EQUITY AND LIABILITIES			
Authorized Certificate Capital			
14,000,000 (2018: 14,000,000) modaraba certificates of Rs. 10 each		140,000,000	140,000,000
Certificate Holders' Equity			
Certificate capital	12	100,000,000	100,000,000
Statutory reserve	13	18,754,553	17,786,733
Accumulated (loss)		(32,693,805)	(36,565,085)
		86,060,748	81,221,648
LIABILITIES			
Non-Current Liabilities			
Security deposits against Ijarah		3,779,980	10,326,950
Deferred liability		779,293	-
		4,559,273	10,326,950
Current Liabilities			
Accrued and other liabilities	14	669,019	453,902
Current portion of security deposit against Ijarah		2,643,200	5,968,180
Provision for taxation		14,980	653,968
Unclaimed profit distribution		984,649	984,649
Loan from management company	15	25,000,000	25,000,000
Management fee payable		566,532	868,117
Sales tax on management fee		72,594	54,515
		29,950,974	33,983,331
Contingencies and Commitments	16	-	-
		120,570,995	125,531,929

The annexed notes from 1 to 33 form an integral part of these financial statements.

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

 Chief Financial Officer
  Chief Executive Officer
  Director
  Director



**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
Income	17	25,066,909	29,950,166
Operating expenses	18	(7,116,215)	(7,567,826)
Depreciation of property and equipment-Ijarah	6	(14,013,815) (21,130,030)	(19,886,608) (27,454,434)
Other income	19	1,447,273	1,081,806
Reversal of/(Provision) for doubtful receivables	20	200,000	(200,000)
Profit before management fee		5,584,152	3,377,538
Management fee		(558,415)	(337,754)
Sales tax on management fee		(72,594)	(43,908)
Provision for worker's welfare fund		(99,063) (730,072)	(59,917) (441,579)
Profit before taxation		4,854,080	2,935,959
Taxation			
- Current		-	(733,989)
- Prior		(14,980) (14,980)	425,607 (308,382)
Profit after taxation		4,839,100	2,627,577
Other comprehensive income		-	-
Total comprehensive income		4,839,100	2,627,577
Earnings per certificate - basic & diluted	22	0.48	0.26

The annexed notes from 1 to 33 form an integral part of these financial statements.

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


Chief Financial Officer


Chief Executive Officer


Director



**CASH FLOW STATEMENT
FOR THE YEAR JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,854,080	2,935,959
Adjustments for non cash items:			
Loss on disposal of Investments		-	452,723
Depreciation of property and equipment-owned		4,905	4,864
Provision for worker's welfare fund		99,063	59,917
Provision for gratuity		779,293	-
(Reversal of)/Provision for doubtful receivables		(200,000)	200,000
(Gain) on transfer of ijarah		(500,000)	(1,121,429)
(Gain) on termination of ijarah		(347,451)	(118,772)
Depreciation of property and equipment-Ijarah		14,013,815	19,886,608
		18,703,705	22,299,870
Decrease in current assets			
Advances and other receivables		13,550,044	6,200,554
Increase / (decrease) in current liabilities			
Accrued and other liabilities		116,054	(43,529)
Management fee payable		(301,585)	337,754
Sales tax on management fee		18,079	(25,039)
Cash generated from operations		32,086,298	28,769,610
Taxes paid		(720,450)	(249,933)
Net cash generated from operating activities		31,365,848	28,519,677
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property and equipment - owned		-	(20,000)
Additions in property and equipment - Ijarah		(4,959,400)	(11,330,000)
Disposal of property and equipment-Ijarah		12,026,529	50,224,243
Security deposit from ijarah		(9,871,950)	(36,538,600)
Investment in diminishing musharakah		(18,672,098)	(25,460,232)
Investment in Modaraba finance		800,000	200,000
Investment in Murabaha finance		(2,651,744)	(13,300,030)
Disposal of investments		-	7,414,955
Net cash (used in) investing activities		(23,328,663)	(28,809,665)
Net increase / (decrease) in cash and cash equivalents		8,037,185	(289,988)
Cash and cash equivalents at the beginning of the period		6,168,668	6,458,656
Cash and cash equivalents at the end of the period	11	14,205,854	6,168,668

The annexed notes from 1 to 33 form an integral part of these financial statements.


Chief Financial Officer


Chief Executive Officer


Director



STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR JUNE 30, 2019

	Certificate Capital	Statutory Reserves	Accumulated (Loss)	Total
----- Rupees -----				
Balance as at July 01, 2017	100,000,000	17,261,218	(38,667,147)	78,594,071
Total comprehensive income for the year	-	-	2,627,577	2,627,577
Transferred to statutory reserve at 20%	-	525,515	(525,515)	-
Balance as at June 30, 2018	100,000,000	17,786,733	(36,565,085)	81,221,648
Total comprehensive income for the year	-	-	4,839,100	4,839,100
Transferred to statutory reserve at 20%	-	967,820	(967,820)	-
Balance as at June 30, 2019	100,000,000	18,754,553	(32,693,805)	86,060,748

* 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 33 form an integral part of these financial statements.

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


Chief Financial Officer


Chief Executive Officer

 
Director Director



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR JUNE 30, 2019

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 (formerly by Islamic Investment Bank Limited - under liquidation), 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 813, 15th 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, musharaka, murabaha arrangements, trading in listed securities and other commodities.

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.

1.4 Summary of significant events and transactions in the current reporting period

The Modaraba's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- Investments in property and equipment - Ijarah has been reduced by Rs.20.233 million as detailed in note no.6 to these financial statements.
- Investments in Diminishing Musharaka has been increased by Rs. 18.750 million as detailed in note no.9 to these financial statements.

2. STATEMENT OF COMPLIANCE

2.1 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 (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountant of Pakistan, 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, Modaraba Companies and Modaraba Rules, 1981, Islamic Financial Accounting Standards (IFASs) and directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Islamic Financial Accounting Standards (IFASs) or the directives issued by SECP prevail.

The Securities and Exchange Commission of Pakistan notified the Islamic Financial Accounting Standard No.1 Morahaba and Islamic Financial Accounting Standard No. 2 Ijarah issued by the Institute of Chartered Accountants of Pakistan.

2.2 Standards, interpretations and amendments applicable to financial statements

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:



a) **Standards, interpretations and amendments to approved accounting standards which became effective during the year**

The Modaraba has adopted the following accounting standard and the amendments and interpretation of IFRSs which become effective for the current year:

i. **IFRS - 15 "Revenue from Contracts with Customers"**

On 28 May 2014, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standards ("IFRS") 15 "Revenue From Contracts with Customers" which provides a unified five-step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are made rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and the number of revenue related interpretations.

There is no material impact on the financial statements of Modaraba of adopting IFRS 15 - Revenue from Contracts with Customers.

ii. **IFRS - 9 "Financial Instruments"**

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

There is no material impact on the financial statements of Modaraba of adopting IFRS 9 - Financial

b) **Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:**

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2020
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020
IAS 12	Income Taxes (Amendments)	January 1, 2019
IAS 19	Employee benefits (Amendments)	January 1, 2019
IAS 23	Borrowing Costs (Amendments)	January 1, 2019
IAS 28	Investment in Associates and Joint Ventures (Amendments)	January 1, 2019
IFRS 3	Business combinations (Amendments)	January 1, 2019
IFRS 9	Financial instruments (Amendments)	January 1, 2019
IFRS 16	Leases	January 1, 2019
IFRIC 23	Uncertainty Over Income Tax Treatments	January 1, 2019



The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation/disclosures. The management is in the process of assessing the impact of changes laid down by IFRS 16 and its effect on its financial statements.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRS 14 Regulatory Deferral Accounts

IFRS 17 Insurance Contracts

The following interpretations issued by the IASB have been waived of by SECP:

IFRIC 4 Determining whether an arrangement contains lease

IFRIC 12 Service concession arrangements

3. **USE OF ESTIMATES**

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 historical experience, including expectations of future events that are believed to be reasonable under circumstances. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial estimates are as follows:

	Note
a) Useful life of depreciable assets/amortizable assets	4.4, 5 & 6
b) Income tax	4.3
c) Provision for non performing assets	20
d) Provision for gratuity	4.10

4. **SIGNIFICANT ACCOUNTING POLICIES**

4.1 **Accounting Convention**

These financial statements have been prepared under the historical cost convention The principal accounting policies adopted are set out below.

4.2 **Accrual Basis of Accounting**

These financial statements except cash flow information, have been prepared under the accrual basis of

4.3 **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. For items covered under final tax regime, provision is made according to the final tax rate provided in the Income Tax Ordinance, 2001. The income of Modaraba other than trading income is exempt from tax under Clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Provided that not less than 90% of its total profits in the year as reduced by the amount transferred to a mandatory reserve, as required under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 or the rules made thereunder, as are distributed amongst the certificate holders.



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 utilised. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realised.

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.

4.4 Fixed Assets - Tangible

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.

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 of 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.

4.5 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 in to 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.

v. Impairment of Financial Assets

The Modaraba recognises loss allowances for ECLs in respect of financial assets measured at amortised cost.

The Modaraba measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Modaraba considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Modaraba's historical experience and informed credit assessment and including forward-looking information.

The Modaraba assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Modaraba is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.



The Gross carrying amount of a financial asset is written off when the Modaraba has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Modaraba individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Modaraba expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Modaraba's procedures for recovery of amounts due.

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.

4.6 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.

4.7 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

4.8 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.

4.9 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.

4.10 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.



4.11 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 / Modaraba/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.

4.12 Provisions

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.13 Related Party Transactions

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

4.14 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.



5. PROPERTY AND EQUIPMENT - OWNED

	Furniture and fixture	Office Equipment	Computer Equipment	Total
----- Rupees -----				
As at June 30, 2017				
Cost	12,700	42,150	16,300	71,150
Accumulated depreciation	(7,161)	(42,150)	(16,300)	(65,611)
Net Book Value	5,539	-	-	5,539
Year ended June 30, 2018				
Opening net book value	5,539	-	-	5,539
Additions (at cost)	20,000	-	-	20,000
Depreciation charge for the year	(4,864)	-	-	(4,864)
Net Book Value	20,675	-	-	20,675
As at June 30, 2018				
Cost	32,700	42,150	16,300	91,150
Accumulated depreciation	(12,025)	(42,150)	(16,300)	(70,475)
Net Book Value	20,675	-	-	20,675
Year ended June 30, 2019				
Opening net book value	20,675	-	-	20,675
Additions (at cost)	-	-	-	-
Depreciation charge for the year	(4,905)	-	-	(4,905)
Net Book Value	15,770	-	-	15,770
As at June 30, 2019				
Cost	32,700	42,150	16,300	91,150
Accumulated depreciation	(16,930)	(42,150)	(16,300)	(75,380)
Net Book Value	15,770	-	-	15,770
Rate of depreciation	15%			



6. PROPERTY AND EQUIPMENT - IJARAH

	Vehicles	Equipment	Immovable property	Total
----- Rupees -----				
As at June 30, 2017				
Cost	71,297,100	20,878,000	45,000,000	137,175,100
Accumulated depreciation	(26,435,914)	(9,243,516)	(2,561,618)	(38,241,048)
Net Book Value	44,861,186	11,634,484	42,438,382	98,934,052
Year ended June 30, 2018				
Opening net book value	44,861,186	11,634,484	42,438,382	98,934,052
Additions (at cost)	11,330,000	-	-	11,330,000
Disposal				
Cost	(23,663,000)	(9,328,000)	(45,000,000)	(77,991,000)
Accumulated depreciation	17,175,465	8,429,701	3,401,792	29,006,958
	(6,487,535)	(898,299)	(41,598,208)	(48,984,042)
Depreciation charge for the year	(15,750,009)	(3,296,425)	(840,174)	(19,886,608)
Net Book Value	33,953,642	7,439,760	-	41,393,402
As at June 30, 2018				
Cost	58,964,100	11,550,000	-	70,514,100
Accumulated depreciation	(25,010,458)	(4,110,240)	-	(29,120,698)
Net Book Value	33,953,642	7,439,760	-	41,393,402
Year ended June 30, 2019				
Opening net book value	33,953,642	7,439,760	-	41,393,402
Additions (at cost)	4,959,400	-	-	4,959,400
Disposal				
Cost	(33,397,700)	-	-	(33,397,700)
Accumulated depreciation	22,218,622	-	-	22,218,622
	(11,179,078)	-	-	(11,179,078)
Depreciation charge for the year	(11,289,981)	(2,723,834)	-	(14,013,815)
Net Book Value	16,443,983	4,715,926	-	21,159,909
As at June 30, 2019				
Cost	30,525,800	11,550,000	-	42,075,800
Accumulated depreciation	(14,081,817)	(6,834,074)	-	(20,915,891)
Net Book Value	16,443,983	4,715,926	-	21,159,909



POPULAR ISLAMIC MODARABA
An Islamic Financial Institution

7. MURABAHA FINANCE - SECURED	Note	2019	2018
		Rupees	Rupees
Considered good	7.1	27,165,487	24,513,744
Less: Current portion		(24,266,866)	(23,591,767)
		<u>2,898,621</u>	<u>921,977</u>

7.1 The profit rates on these murabaha arrangements ranges between 9.41% and 14.86% (2018: 9.41% and 14%). 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.

8. MODARABA FINANCE - SECURED	Note	2019	2018
		Rupees	Rupees
Modaraba Finance/Considered good	8.2	-	800,000
Considered doubtful	8.2	-	200,000
		-	1,000,000
Less: Provision for doubtful receivables		-	(200,000)
Less: Current portion		-	(800,000)
Long term portion		-	<u>1,000,000</u>

8.1 Modaraba Finance

Considered Good		Considered Doubtful		Total	
Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18
----- Rupees -----		----- Rupees -----		----- Rupees -----	
Modaraba Finance					
Principal	- 800,000	- 200,000	-	-	1,000,000
Profit	-	-	-	-	-
Total	- 800,000	- 200,000	-	-	1,000,000

8.2 The rate of profit on modaraba finances is 8.5% per annum. (2018: 8.5% per annum) These are secured against post dated cheques, and demand promissory note.

8.3 This provision made against overdue principal amount of modaraba finance on time based criteria in terms of the requirement of the prudential regulation.

9. DIMINISHING MUSHARAKA	Note	2019	2018
		Rupees	Rupees
Investment - diminishing musharaka	9.1	54,958,581	36,286,483
Less: Current portion of diminishing musharaka		(13,637,381)	(9,048,563)
		<u>41,321,200</u>	<u>27,237,920</u>

9.1 The profit rates on these diminishing musharaka arrangements range between 11.18% and 14.20% (2018: 8.50% and 10.36%). Diminishing musharaka arrangements are secured by way of Modaraba's title over underlying assets and demand promissory notes.



POPULAR ISLAMIC MODARABA
An Islamic Financial Institution

10. ADVANCES AND OTHER RECEIVABLES	Note	2019	2018
		Rupees	Rupees
Advances		932,001	13,903,677
Profit/rental receivable		1,260,253	941,464
Advance against management fee		-	760,000
Other receivable		556,726	493,883
Advance tax		316,415	249,933
		<u>3,065,395</u>	<u>16,348,957</u>

11. CASH AND BANK BALANCES

Cash in hand		31,568	23,068
Cash at bank:			
- Deposit accounts	11.1	14,065,485	6,027,715
- Balances with State Bank of Pakistan		108,800	117,885
		14,174,285	6,145,600
		<u>14,205,853</u>	<u>6,168,668</u>

11.1 Deposit accounts are Shariah compliant and rate of profit on deposit accounts ranges from 2.7% to 5.0% (2018: 2.4% to 2.75%) per annum.

12. CERTIFICATE CAPITAL	Note	2019	2018
		Rupees	Rupees
Number of Certificates			
10,000,000		10,000,000	Modaraba certificates of Rs. 10 each fully paid-up in cash
		#####	#####

13. STATUTORY RESERVE

Balance at beginning of the year		17,786,733	17,261,218
Transferred during the year from profit and loss account	13.1	967,820	525,515
		<u>18,754,553</u>	<u>17,786,733</u>

13.1 During the year, the Modaraba has transferred 20% of its profit after tax to statutory reserve as per the requirements of prudential regulations.

14. ACCRUED AND OTHER LIABILITIES	Note	2019	2018
		Rupees	Rupees
Accrued expenses		220,000	191,600
Withholding tax payable		6,515	6,515
Worker's welfare fund		344,957	245,894
Other liabilities		97,547	9,893
		<u>669,019</u>	<u>453,902</u>

15. LOAN FROM MANAGEMENT COMPANY	15.1	<u>25,000,000</u>	<u>25,000,000</u>
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15.1 This represents interest free loan received from Management Company which was obtained to meet working capital requirements and the loan is repayable within 1 year.



16. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at the end of year.

	Note	2019 Rupees	2018 Rupees
17. INCOME			
Income on murabaha		2,963,893	1,600,147
Income on modaraba		255,000	-
Income on ijarah		15,676,576	25,459,113
Income on diminishing musharaka		6,171,440	2,890,906
		25,066,909	29,950,166

18. OPERATING EXPENSES

	Note	2019	2018
Salaries, wages and other benefits	18.1	4,422,109	4,021,225
Auditors' remuneration	18.2	185,000	185,000
CDC charges / registrar services		311,349	291,321
Postage and delivery		5,430	8,180
Printing and stationery		166,580	169,585
Fees and subscription		1,017,755	1,421,729
Legal and professional fee		320,400	540,750
Repair and maintenance		91,732	234,576
Travelling and conveyance		70,010	85,819
Advertisement		20,600	19,800
Telecommunication		293,690	145,320
Entertainment		58,202	87,105
Electricity		-	105,689
Bank charges		17,995	15,899
Depreciation of property and equipment-owned	5	4,905	4,864
Professional tax		130,457	230,964
		7,116,215	7,567,826

18.1 Remuneration of officers and other employees

2019		2018	
Officers	Other employees	Officers	Other employees
----- Rupees -----			

Salaries and allowances				
Basic salary	926,880	635,150	868,800	563,399
Allowances	463,440	317,563	434,400	281,681
	1,390,320	952,713	1,303,200	845,080

Number of employees	2	3	2	3
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18.2 Auditors' remuneration

	2019 Rupees	2018 Rupees
Audit fee	135,000	135,000
Out of pocket	10,000	10,000
Half year review and others	40,000	40,000
	185,000	185,000



19. OTHER INCOME

	Note	2019 Rupees	2018 Rupees
Profit on deposit accounts	19.1	534,822	249,328
Gain on transfer of Ijarah		500,000	1,121,429
Gain on early termination of Ijarah		347,451	118,772
Loss on disposal of investments-held for trading		-	(452,723)
Other income - processing fee		65,000	45,000
		1,447,273	1,081,806

19.1 These are earned under a Shariah permissible arrangement.

20. PROVISIONS FOR DOUBTFUL RECEIVABLES

Opening balance		200,000	-
(Reversal of)/Provision against murabaha finance	20.1	(200,000)	200,000
Closing balance		-	200,000

20.1 This represent provision recognized during the last year on the basis of time based criteria of non-performing modaraba financing. During the year, the Modaraba has recovered all outstanding balance.

21. TAXATION

As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that not less than ninety percent of their profits for the year as reduced by the amount transferred to statutory (mandatory) reserves are distributed to the certificate holders. As the Management Company of the Modaraba, subsequent to the year end, has approved the required distribution as detailed in note no.30, no provision for taxation has been made in these financial statements.

22. EARNINGS PER CERTIFICATE- BASIC & DILUTED

	2019	2018
Profit after taxation	4,839,100	2,627,577
Weighted average number of certificates	10,000,000	10,000,000
	0.48	0.26

23. 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 transactions	Relationship with the Co.	2019 Rupees	2018 Rupees
Management fee- payment during the year	Management company	860,000	-
Balance as at the year end			
Advance to modaraba management company	Management company	-	760,000
Loan payable to management company	Management company	25,000,000	25,000,000
Payable to modaraba management company	Management company	566,532	868,117



24. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

24.1 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

24.2 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, 2019 is the carrying amount of the financial assets as set out below:

Business	2019	2018
	Rupees	Rupees
Murabaha finance	27,165,487	24,513,744
Modaraba finance	-	800,000
Diminishing musharaka	54,958,581	36,286,483
Advances and other receivables	3,065,395	16,348,957
Cash and bank balances	14,205,853	6,168,668
	99,395,316	84,117,851

Concentration of credit risk

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

Segment by class of business of Ijarah assets	2019		2018	
	Rupees	%	Rupees	%
Cargo, Trading & distribution	6,899,000	16.40	26,819,000	38.03
Investment companies, firms & bank	7,786,000	18.50	18,392,000	26.08
Individual	13,265,800	31.53	11,178,100	15.85
Hotels and resorts	14,125,000	33.57	14,125,000	20.03
	42,075,800	100	70,514,100	100



Segment by class of business of Diminishing Musharaka, Murabaha and Modaraba

	2019		2018	
	Rupees	%	Rupees	%
Diminishing Musharaka	-	-	-	-
Hotels and resorts	5,041,456	9.16	1,500,000	4.13
Investment companies, firms & bank	38,588,865	70.11	34,786,483	95.87
Individuals	11,406,443	20.73	-	-
	55,036,764	100	36,286,483	100
Murabaha				
Investment companies, firms & bank	-	-	14,938,176	60.94
Spare parts manufacturers	14,875,000	55	-	-
Individual	12,290,487	45	9,575,568	39.06
	27,165,487	100	24,513,744	100

23.2.1 Modaraba's operations are restricted to Pakistan only.

24.3 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	2019 Rupees	2018 Rupees
Al-Baraka Bank Limited	A+	JCR - VIS	14,065,485	6,027,715

24.4 An analysis of the portfolio of the Modaraba that is classified as non-performing as per the requirements of the Prudential Regulations for Modarabas is as follows:

As at June 30, 2019			
Substandard	Doubtful	Loss	Total
----- Rupees -----			

Modaraba Finance - Secured	-	-	-	-
Murabaha Finance - Secured	-	-	2,202,682	2,202,682
	-	-	2,202,682	2,202,682

As at June 30, 2018			
Substandard	Doubtful	Loss	Total
----- Rupees -----			

Modaraba Finance - Secured	500,000	-	-	500,000
Murabaha Finance - Secured	-	-	2,202,682	2,202,682
	500,000	-	2,202,682	2,702,682

24.5 Liquidity risk

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

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.



26. 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:

2019	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						
Financial assets								
Murabaha Finance	9.41% - 14.86%	24,266,866	2,898,621	27,165,487	-	-	-	27,165,487
Diminishing Musharaka Finance	11.18% - 14.20%	13,637,381	41,321,200	54,958,581	-	-	-	54,958,581
Advances and other receivables		-	-	-	2,748,980	-	2,748,980	2,748,980
Cash and bank balances	2.7% - 5.0%	14,174,285	-	14,174,285	31,568	-	31,568	14,205,853
	(A)	52,078,532	44,219,821	96,298,353	2,780,548	-	2,780,548	99,078,901
Financial liabilities								
Loan from Management company		-	-	-	25,000,000	-	25,000,000	25,000,000
Deferred liability		-	-	-	-	779,293	779,293	779,293
Accrued and other liabilities		-	-	-	669,019	-	669,019	669,019
Unclaimed profit distribution		-	-	-	984,649	-	984,649	984,649
Management fee payable		-	-	-	566,532	-	566,532	566,532
Sales tax on management fee		-	-	-	72,594	-	72,594	72,594
	(B)	-	-	-	27,292,794	779,293	28,072,087	28,072,087
Total yield / profit risk sensitivity gap	(A)-(B)	52,078,532	44,219,821	96,298,353	(24,512,246)	(779,293)	(25,291,540)	71,006,813

2018	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						
Financial assets								
Murabaha Finance	9.41% - 14%	23,591,767	921,977	24,513,744	-	-	-	24,513,744
Modaraba Finance	8.50%	800,000	-	800,000	-	-	-	800,000
Diminishing musharaka finance	8.80% - 11.5%	9,048,563	27,237,920	36,286,483	-	-	-	36,286,483
Advances and other receivables		-	-	-	16,099,024	-	16,099,024	16,099,024
Cash and bank balances	2.4% - 2.75%	6,145,600	-	6,145,600	23,068	-	23,068	6,168,668
	(A)	39,585,930	28,159,897	67,745,827	16,122,092	-	16,122,092	83,867,919
Financial liabilities								
Loan from Management company		-	-	-	25,000,000	-	25,000,000	25,000,000
Accrued and other liabilities		-	-	-	453,902	-	453,902	453,902
Unclaimed profit distribution		-	-	-	984,649	-	984,649	984,649
Management fee payable		-	-	-	868,117	-	868,117	868,117
Sales tax on management fee		-	-	-	54,515	-	54,515	54,515
	(B)	-	-	-	27,361,183	-	27,361,183	27,361,183
Total yield / profit risk sensitivity gap	(A)-(B)	39,585,930	28,159,897	67,745,827	(11,239,091)	-	(11,239,091)	56,506,736

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



28. 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.

29. NUMBER OF EMPLOYEES

	2019	2018
Total number of employees end of the year	5	8
Average number of employees during the year	7	7

30. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Management Company has approved dividend at the rate of Rs..... per certificate (2018: Re.Nil per certificate) for the year ended 30 June 2019, resulting in a total distribution of profit amounting to Rs. million (2018: Rs. Nil million), in its meeting held on which is more than 90% of the net profit for the year ended 30 June, 2019, after appropriation to the statutory (mandatory) reserve as required under the Modaraba Regulations. These financial statements do not reflect this proposed distribution which will be incorporated in the financial statements for the year ending June 30, 2020.

31. CORRESPONDENCE FIGURES

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

32. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the board of directors of the Management Company and authorized for issue on September 20, 2019.


33. GENERAL

The figures have been rounded off to the nearest rupees.


Chief Financial Officer


Chief Executive Officer


Director


Director



PATTERN OF SHAREHOLDING

POPULAR ISLAMIC MODARABA
PATTERN OF CERTIFICATE HOLDING REPORT
As of June 30, 2019

Number of Certificate holders	Certificate Holdings			Total Certificate Held
33	1	to	100	1,430
779	101	to	500	385,418
69	501	to	1000	68,249
53	1001	to	5000	146,089
20	5001	to	10000	166,900
19	10001	to	15000	253,569
7	15001	to	20000	125,700
6	20001	to	25000	142,311
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	110001	to	115000	111,500
1	115001	to	120000	118,333
1	120001	to	125000	124,000
4	775001	to	780000	3,113,252
2	1555001	to	1560000	3,113,050
1	1560001	to	1565000	1,564,999
1007				10,000,000



PATTERN OF CERTIFICATEHOLDING

POPULAR ISLAMIC MODARABA
PATTERN OF CERTIFICATE HOLDING REPORT
As of June 30, 2019

Categories of Certificateholders	Certificateholders	Certificate Held	Percentage
Directors and their spouse(s) and minor children			
NAWABZADA KAMRAN HUSSAIN MUGHAL	1	100	0.00
SHAHBAZ ALI MALIK	1	778,313	7.78
IMAM UDDIN SHOUQEEN	1	1,556,425	15.56
MALIK JUNAID EMAM	1	1,556,625	15.57
Associated Companies, undertakings and related parties			
POPULAR ISLAMIC MODARABA MANAGEMENT COMPANY (PVT.) LIMITED	1	1,564,999	15.65
Sponsors	3	2,334,939	23.35
Executives	-	-	-
Public Sector Companies and Corporations	1	16,700	0.17
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	3	28,000	0.28
Mutual Funds	-	-	-
General Public			
a. Local	982	1,962,299	19.62
Foreign Investors	-	-	-
Others	13	201,600	2.02
Totals	1007	10,000,000	100.00

Share holders holding 5% or more	Shares Held	Percentage
POPULAR ISLAMIC MODARABA MANAGEMENT COMPANY (PVT.) LIMITED	1,564,999	15.65
MALIK JUNAID EMAM	1,556,625	15.57
IMAM UDDIN SHOUQEEN	1,556,425	15.56
SHAHBAZ ALI MALIK	778,313	7.78
KAMRAN ALI ROSHAN	778,313	7.78
IMRAN ALI ROSHAN	778,313	7.78
ZULFIQAR ALI ROSHAN	778,313	7.78



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the certificate holders that Sixth (6) Annual Review Meeting of Popular Islamic Modaraba will be held on Friday, October 25, 2019 at 10:15 a.m. at the Registered Office of the Modaraba at 1st 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, 2019.

By order of the Board

Kamran Hussain Mughal
(Company Secretary)

Karachi : October 02, 2019

Notes:

1. CLOSURE OF SHARE TRANSFER BOOKS:

The Modaraba Certificates Transfer Book will remain closed from October 18, 2019 to October 25, 2019 (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 17, 2019 will be considered the eligibility to attend the Annual Review Meeting.

2. PARTICIPATION IN ANNUAL REVIEW MEETING:

Certificate Holders who wish to attend the Annual Review Meeting, are requested to bring original Computerized National Identity Card for identification purpose and will in addition, have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 25, 2000 of the Securities and Exchange Commission of Pakistan (SECP) for attending the meeting.

3. NOTIFY THE CHANGES IN ADDRESSES:

The Certificate holders are advised to notify to the Registrar of Popular Islamic Modaraba of any change in their addresses to ensure prompt delivery of mails. Further, any Certificates for transfer, etc, should be lodged with the Registrar of Popular Islamic Modaraba.

4. SUBMISSION OF COPIES OF CNIC (MANDATORY):

Pursuant to the Notification SRO.275(I)/2016 dated March 31, 2016 read with S.R.O.19(I)/2014 dated January 10, 2014 and SRO.831(I)/2012 dated July 5, 2012 of the Securities & Exchange Commission of Pakistan (SECP), Dividend Warrant(s) shall mandatorily bear the Computerized National Identity Card (CNIC) numbers of certificate



holders. Certificate holders are therefore requested to fulfill the statutory requirements and submit a copy of their CNIC or NTN in case of corporate entities (if not already provided) to the Modaraba's Share Registrar. In case of non-availability of a valid copy of the Certificates' CNIC in the records of the Modaraba, the Modaraba shall be constrained to withhold the Dividend Warrants, which will be released by the Share Registrar only upon submission of a valid copy of the CNIC in compliance with the aforesaid SECP directives.

5. WITHHOLDING TAX ON DIVIDEND:

Government of Pakistan through Finance Act, 2019, has made certain amendments in withholding tax provision by substituting the definition of "Filers" with "Active Taxpayer List" (ATL), whereby the company is required to collect tax on dividend under Section 150 of the Income Tax Ordinance, 2001 from the person not appearing in the ATL at the rates specified in the Ordinance as increased by 100%. These tax rates are as under:

a)	Rate of tax deduction for filers of income tax returns	15.00%
b)	Rate of tax deduction for non-filers of income tax returns	30.00%

Certificateholders who are filers, are advised to make sure that their names are entered into latest ATL provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as person not appearing in ATL and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

6. WITHHOLDING TAX ON DIVIDEND IN CASE OF JOINT ACCOUNT HOLDERS:

For certificate holders holding their certificates jointly as per the clarification issued by the FBR, withholding tax will be determined separately on "Filer / Non Filer" status of the principal certificate holder as well as the joint-holder(s) based on their certificate holding proportions. Therefore, all certificate holders who hold certificates jointly are requested to provided certificate holding proportions of principal certificate holder and join-holder(s) in respect of certificates held by them to our Share Registrar, in writing as follows:

Folio No. / CDC Account No.	Total Certificates	Principal Certificate Holder		Joint Certificate Holder(s)	
		Name and CNIC No.	Certificate Holding Proportion (Number of Certificates)	Name and CNIC No.	Certificate Holding Proportion (Number of Certificates)

The required information must reach our Share Registrar before close of business on October 17, 2019, otherwise it will be assumed that the certificates are equally held by principal certificate holder and Joint holders(s).



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

The audited financial statements of the Modaraba for the year ended June 30, 2019 have been made available on the Modaraba's website www.popularislamicmodaraba.com, in addition to annual and quarterly financial statements for the prior years.

8. 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 Central Depository System (CDS) are advised to submit their Bank account mandate information directly to the relevant participant / CDC Investor Account Service.

In the absence of Bank account details or in case of incomplete details, the Modaraba will be constrained to withhold the payment of cash dividend of those certificate holders who have not provided the same. For more information, you may contact our Share Registrar.



NOTICE OF ANNUAL GENERAL MEETING

اطلاع برائے سالانہ جائزہ اجلاس

بزرگیوں سے مطلع کیا جاتا ہے کہ پاپولر اسلامک مڈارابہ کے سرٹیفکیٹ ہولڈرز کا سالانہ جائزہ اجلاس 30 جون 2019 کو ختم ہونے والے سال کے لیے مڈارابہ کے رجسٹرڈ آفس پندرہ منزل، چیمپل پلازہ، حسرت موہانی روڈ، آئی، آئی، چندریگر روڈ، کراچی بروز جمعہ 25 اکتوبر 2019 بوقت صبح 10:15 بجے منعقد ہوگا۔

بجلم ہورڈ

کامران حسین مغل
(کمپنی سیکریٹری)

02 اکتوبر 2019

کراچی۔

نوٹس:

1۔ نوٹیفکیشن ٹرانسفر بنیں:

مڈارابہ کا سرٹیفکیٹ ٹرانسفر ہنرموثر 11 اکتوبر 2019 سے 25 اکتوبر 2019 (بشمول دونوں دن) تک بند رہیگا اور درج بالا دنوں میں کوئی منتقلی قبول نہیں ہوگی۔ سالانہ اجلاس میں شرکت کے سلسلے میں ہمارے خمیر رجسٹرار سی ڈی سی پاکستان، 99 بی، بلاک بی، مین شارع فیصل، کراچی کو مورثی 1 اکتوبر 2019 کو دفتری اوقات ختم ہونے تک موصول ہونے ٹرانسفر بروقت اور سالانہ جائزہ اجلاس میں شرکت کے اہل تصور کیے جائیں گے۔

2۔ اجلاس میں شرکت کیلئے:

جو سرٹیفکیٹ ہولڈرز مڈارابہ کے سالانہ جائزہ کے اجلاس میں شرکت کے خواہش مند ہیں ان سے درخواست کی جاتی ہے کہ اپنا اصل قومی شناختی کارڈ اپنے ہمراہ لے کر آئیں تاکہ ان کی تصدیق کی جاسکے۔ اسکے علاوہ اجلاس میں شرکت کے حوالے سے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکولر نمبر 1 تاریخ 25 جنوری 2000 کے تحت واضح کردہ رہنما اصولوں کا بھی مطلع کریں۔



۳۔ پتہ میں تبدیلی کی اطلاع:

سرٹیفکیٹ ہولڈرز کو ہدایت کی جاتی ہے کہ اپنے پتے میں کسی بھی قسم کی تبدیلی کے بارے میں فوری طور پر مضاربہ کے شیئر رجسٹرار کو مطلع کریں تاکہ انہیں تمام خط و کتابت بروقت موصول ہوں۔ مزید، کسی سرٹیفکیٹ کی ملکیت کی تبدیلی کیلئے مضاربہ کے شیئر رجسٹرار سے رابطہ کریں۔

۴۔ قومی شناختی کارڈ/بیشلس نمبر کی فراہمی (لازمی):

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او ۲۰۱۶/۲۰۱۷(۱)۳۷۵ تاریخ ۳۱ مارچ ۲۰۱۶، ایس آر او ۲۰۱۳/۲۰۱۴(۱)۱۹ تاریخ ۱۰ جنوری ۲۰۱۴، ایس آر او ۲۰۱۲/۲۰۱۳(۱)۸۳۱ تاریخ ۵ جولائی ۲۰۱۳ کے مطابق ڈیویڈنڈ وارنٹ پر رجسٹرڈ سرٹیفکیٹ ہولڈرز کا قومی شناختی کارڈ ہونا لازمی ہے۔ سرٹیفکیٹ ہولڈرز سے درخواست ہے کہ وہ اپنے قومی شناختی کارڈ کی کاپی اپنے فولیو نمبر کے ساتھ جلد سے جلد کمپنی کے شیئر رجسٹرار کے پاس جمع کروادیں۔ قومی شناختی کارڈ کی کاپی جمع نہ کرانے کی صورت میں ڈیویڈنڈ وارنٹ روکے جاسکتے ہیں۔ کمپنیوں سے درخواست ہے کہ وہ اپنا NTN Certificate کمپنی کے شیئر رجسٹرار کے پاس جمع کروادیں۔

۵۔ منافع منقسمہ پر دو ہولڈنگ ٹیکس کی کوٹھی:

حکومت پاکستان نے فائز ایکٹ ۲۰۱۹ کے ذریعے آگم ٹیکس آرڈیننس ۲۰۰۱ کی شق ۱۵۰ میں کچھ ترمیمات کی ہیں جس کے ذریعے کمپنیوں کی جانب سے ادا کردہ منافع منقسمہ کی رقم پر دو ہولڈنگ ٹیکس کی کوٹھی کیلئے مختلف شرحیں تجویز کی گئیں ہیں۔ یہ شرح ہائے ٹیکس درج ذیل ہیں:

- (الف) آگم ٹیکس گوشوارے جمع کروانے والوں کیلئے - ۱۵ فیصد
- (ب) آگم ٹیکس گوشوارے نام جمع کروانے والوں کیلئے - ۳۰ فیصد

ایسے تمام سرٹیفکیٹ ہولڈرز جن کے نام ایکٹو ٹیکس ریسٹ (اے ٹی ایل) میں نہیں ہیں (جو ایف بی آر کی ویب سائٹ پر موجود نہیں ہیں) باوجود اس کے وہ فائلنگ نہیں ہوں۔ اس بات کو یقینی بنائیں کہ ان کے نام اے ٹی ایل میں شامل ہوں۔ بصورت دیگر ان کے منقسمہ منافع پر ٹیکس ۱۵ کے بجائے ۳۰ فیصد ہوگا۔

۶۔ جوائنٹ ہولڈرز کی صورت میں منافع منقسمہ پر دو ہولڈنگ ٹیکس:

ان سرٹیفکیٹ ہولڈرز کیلئے جن کے سرٹیفکیٹس ایف بی آر کی جانب سے جاری کردہ وضاحت کے مطابق مشترکہ طور پر رکھے ہوئے ہیں ان کا دو ہولڈنگ ٹیکس اصل سرٹیفکیٹ ہولڈر کے فائلنگ/ان فائلنگ حیثیت پر علیحدہ سے متعین کیا جائے گا۔ اس لئے تمام سرٹیفکیٹ ہولڈرز جو مشترکہ طور پر سرٹیفکیٹس رکھتے ہیں سے درخواست کی جاتی ہے کہ وہ ہمارے شیئر رجسٹرار کو تحریری طور پر ان کی جانب سے سرٹیفکیٹس رکھنے کے لحاظ سے اصل سرٹیفکیٹ ہولڈرز اور جوائنٹ ہولڈرز (ز) کے سرٹیفکیٹ ہولڈنگ حصوں کو درج ذیل کے مطابق فراہم کریں:

فولیو نمبر/اسی ڈی سی اکاؤنٹ کل سرٹیفکیٹس بنیادی سرٹیفکیٹ ہولڈر جوائنٹ سرٹیفکیٹ ہولڈر (ز)
نمبر نام اور شناختی کارڈ نمبر سرٹیفکیٹ کا تناسب (تعداد) نام اور شناختی کارڈ نمبر سرٹیفکیٹ کا تناسب (تعداد)

دور کار معلومات ہمارے رجسٹرار کو ۱۷ اکتوبر ۲۰۱۹ء کو بار کے بند ہونے سے قبل پہنچ جانی چاہئیں، بصورت دیگر تصور کر لیا جائے گا کہ سرٹیفکیٹس اصل (پرنسپل) سرٹیفکیٹ ہولڈر اور جوائنٹ ہولڈرز (ز) کی جانب سے مساوی ہیں۔

۷۔ سالانہ گوشواروں کی دستیابی:

پاپولر اسلامک مضاربہ کے سالانہ گوشوارے مضاربہ کی ویب سائٹ www.popularislamicmodaraba.com پر معائنہ کیلئے دستیاب ہیں۔

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















کمپنیز ایکٹ ۲۰۱۷ کی شق نمبر ۲۳۲ کے مطابق لیکوٹی 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 ہولڈرز کو مشورہ دیا جاتا ہے کہ مضاربہ کی ویب سائٹ پر دستیاب ڈیویڈنڈ مینڈیٹ فارم میں اپنے متعلقہ بینک کا 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 بینک مینڈیٹ انفارمیشن براہ راست متعلقہ شریک/اسی ڈی سی انوسٹر اکاؤنٹ کو جمع کروادیں۔

بینک اکاؤنٹ کی عدم دستیابی یا نامململ معلومات کی صورت میں مضاربہ ایسے سرٹیفکیٹ ہولڈرز کے منافع منقسمہ کی ادائیگی روک لی جائے گی۔ مزید معلومات کیلئے ہمارے شیئر رجسٹرار سے رابطہ کریں۔



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