

Corporate Briefing Session
POPULAR ISLAMIC MODARABA
for the Year ended June 30, 2023

The logo of Popular Industries Group is centered at the top of the slide. It consists of a circular emblem with a gear and a brick wall, surrounded by a laurel wreath. Below the emblem is a banner with the text 'POPULAR INDUSTRIES'. Below the banner is another banner with the text 'POPULAR GROUP' and three stars. The slide background is white with blue geometric shapes on the right side.

Corporate Briefing

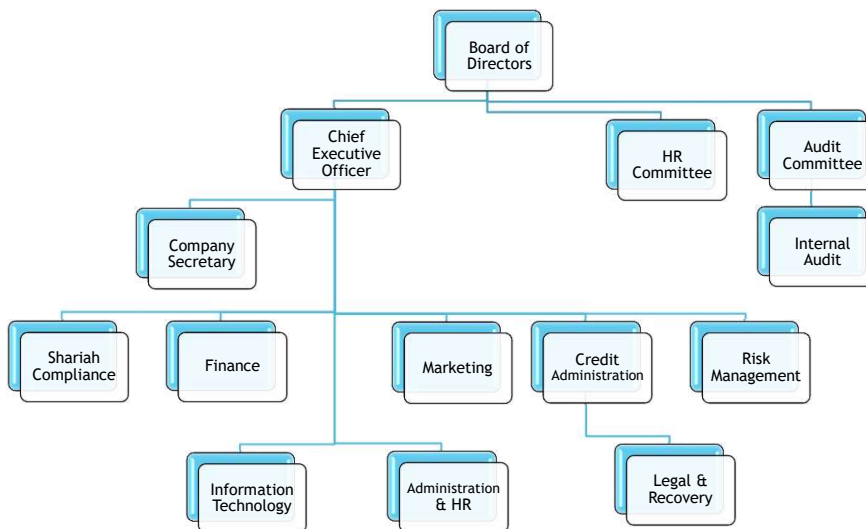
- **About Popular Islamic Modaraba**
- **Operational Activities**
- **Financial Performance**
- **Future Outlook**

About Popular Islamic Modaraba

Brief of Popular Islamic Modaraba (PIM)

- ❖ Popular Islamic Modaraba (PIM) was established in 1994 and floated under the Modaraba Ordinance of 1980. Popular Islamic Modaraba is a multipurpose, perpetual and multi dimensional Modaraba. It is listed on the Pakistan Stock Exchange, and is a member of NBFI & Modaraba Association of Pakistan.
- ❖ PIM has been acquired in 2013 by Popular Islamic Modaraba Management Company (Pvt.) Limited. Popular Group of Industries is its main sponsors. The Popular Group of Industries is a conglomerate having different Industries such as Fruit Juices, Textile, Sugar, Plastic, Packaging, Cement etc, The Group has now entered the field of Islamic Financing in order to play a vital role in the development of Islamic Financing in the country.
- ❖ PIM is offering various modes of Islamic Financing viz., Ijarah, Diminishing Musharaka, Murahaba, Musharaka.

Organizational Structure



OPERATIONAL ACTIVITIES

Products of PIM

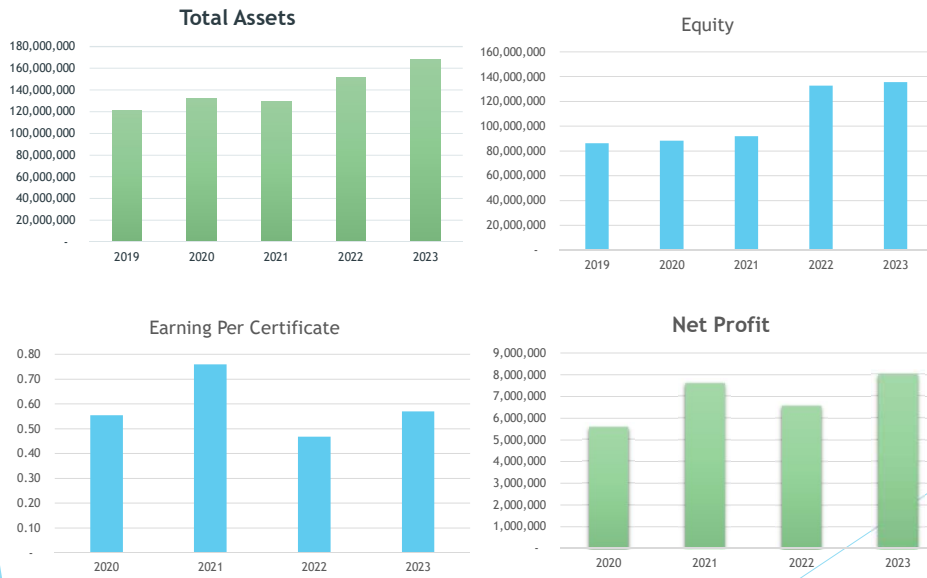
- ❖ Ijarah (Leasing) Financing:
On Rental basis for Motor Vehicle, Machinery, Generators and Equipment.
- ❖ Diminishing Musharakah Financing:
Diminishing Musharakah (DM) is a form of co-ownership between the Financial Institution (FI) and the customer on fixed asset. Customer gradually buy the ownership units from FI through pre-agreed installments.
- ❖ Consumer Car Financing:
Auto Financing for Individuals and SMEs for Commercial purpose.
- ❖ Murabaha:
Working Capital for purchase of raw materials for industrial units.

FINANCIAL PERFORMANCE

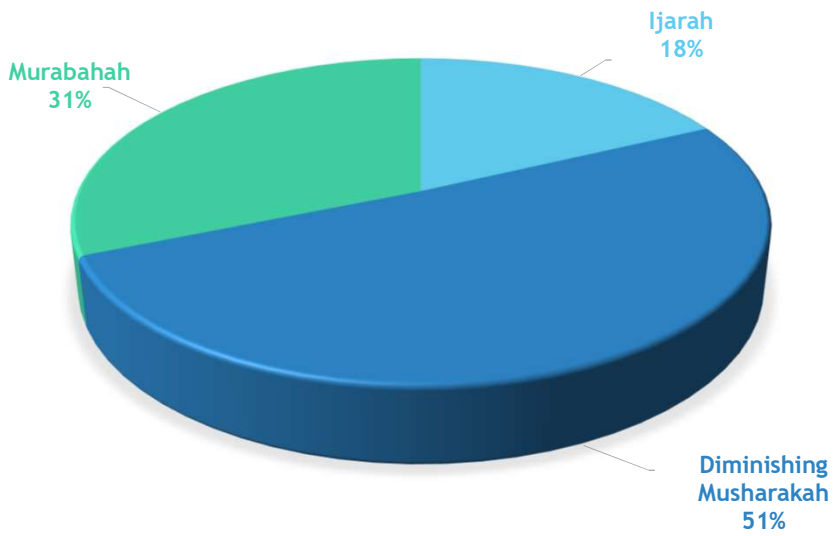
Key Financial Data of Five Years

Key Financial Data	2023	2022	2021	2020	2019
Total Assets	168,629,000	152,086,435	129,502,705	131,956,639	120,570,995
Total Liabilities	33,313,517	19,503,918	37,823,816	43,832,709	34,510,247
Certificate Holders' Equity	135,315,483	132,582,517	91,678,889	88,123,930	86,060,748
Net Profit	7,974,566	6,551,228	7,589,959	5,543,182	4,839,100
Earning Per Certificate	0.57	0.47	0.76	0.55	0.48
Cash Dividend (Re per certificate)	0.456	0.374	0.403	0.404	0.348
Return on Equity	5.89%	4.94%	8.28%	6.29%	5.62%
Return on Assets	4.73%	4.31%	5.86%	4.20%	4.01%
Breakup Value	9.67	9.47	9.17	8.81	8.61

Graphical View of Financial Performance



Portfolio Position as on June 30, 2023



FUTURE PROSPECTS

Future Prospects

Keeping in view of present economic and business circumstances, we have devised our future business strategy Business Outlook & Future Strategy in cautious and more prudent manner. Key points of our strategy would be as follows:

- ❖ Carefully move forward with our existing and new business engagements for new assets booking and financing, specially focus on SMEs to support economy.
- ❖ Need to enhance tools of risk management, appraisals & evaluation of credit proposals.
- ❖ Further strengthen risk assessment and internal controls parameters.
- ❖ Further strengthen compliance culture particularly regulatory and AML/CFT related compliances.
- ❖ Enhance capacity building and improve professional grooming of our team members.

CONCLUSION:

By the Grace of Almighty Allah, the performance of Popular Islamic Modaraba during the period under review continued to be strong in spite of economy slowdown, inflation, high KIBOR Rate and stiff competition with Financial Institutions. The Modaraba achieved the income of Rs.27.721 million as compared to Rs 23.580 million showing 17.56% increase over the same period of last year. The profit after tax increased from Rs.6.551 million to Rs. 7.974 as compared to the profit of corresponding period. The Earning Per Certificate has been worked out at Re. 0.57 as compared to the EPC of corresponding period of last year that was Re. 0.48. Withdrawal of tax exemption on income of Modaraba Sector on distribution of 90% and above dividend has been significantly affected the profitability of the Modaraba. Despite this Modaraba declared dividend in the best interest of its valuable certificate holders. The above performance was achieved in difficult business operating environment and we are hopeful that Insha'Allah, we will be able to deliver more improved results in 2023-24 as well.

