



Popular Islamic Modaraba
An Islamic Financial Institution

Quarterly Financial Information
March 31, 2020
(Un-Audited)

Managed By:

Popular Islamic Modaraba
Management Company (Private) Limited



Popular Islamic Modaraba

An Islamic Financial Institution

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 of the Modaraba together with Condensed Interim Financial Information for the Nine Months and Three Months period ended March 31, 2020.

The summarized financial results for the Quarter ended March 31, 2020 are as under:

	Mar-20	Mar-19
	------(Rupees)-----	
Income	24,683,727	19,260,418
Operating expenses	(3,927,598)	(4,907,403)
Depreciation of Ijarah Assets	(16,803,867)	(11,351,015)
Operating Profit	<u>3,952,262</u>	<u>3,002,000</u>
Other Income	684,070	989,859
Reversal of / (provision) for doubtful receivable	(772,282)	-
Profit before Management Fee	3,864,050	3,991,859
Management fee	(386,405)	(399,186)
Sales tax on Management fee	(50,233)	(51,894)
Profit before taxation	3,427,412	3,540,779
Taxation	-	(230,350)
Profit after taxation	3,427,412	3,310,429
Earning per certificate - basic & diluted	0.34	0.33

Review of Operations:

The Modaraba has been able to achieve Income of Rs.24.683 million as of March 31, 2020 which has increased by 28.16% as compared to the income of corresponding period of the last year. The total expenses amounted to Rs.20.731 million as compared to Rs.16.258 million as of March 2019. The operating expenses decreased, however, depreciation expenses increase due to increase in Ijarah Financing. The profit after tax during the period under review amounted to Rs.3.427 million which has increased by 3.53% as compared to the profit of corresponding period of the last year. The EPC also accordingly increased from Re.0.33 to Re.0.34. During the period the Modaraba has made further investments in Ijarah and Diminishing Musharakah finance at competitive rates which will increase profits and reserves in the foreseeable future.


Future Outlook:

Financing business is the focus of the Modaraba. Our endeavor to optimum and efficient utilization of our own resources as well as controlled leveraging of the balance sheet to book and gradually build good quality assets portfolio continues. Our emphasis will be to manage the profitability through increase of volume of investment so that we achieve our desired profit target.

Acknowledgement:

The Modaraba has enjoyed the valuable guidance and support of Registrar Modarabas and the Securities and Exchange Commission of Pakistan during the period under review, and wishes to enjoy the same in future as well.

For and on behalf of the Board


Muhammad Riaz
Chief Executive Officer

Dated: April 24, 2020
Karachi.

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ڈائریکٹرز کی رپورٹ ہمارے سرمایہ 31 مارچ 2020

پاپولر اسلامک مضاربت پیمنٹ کمپنی (پرائیویٹ) لمیٹڈ جو پاپولر اسلامک مضاربت کی پیمنٹ کمپنی ہے، اس کے بورڈ آف ڈائریکٹرز نے اپنے سرٹیفکیٹ ہولڈرز کو پوسٹ ڈائریکٹرز کی رپورٹ ہمارے سرمایہ 31 مارچ 2020 پیش کرتے ہیں۔

نمائیاں مالیاتی نتائج:

ہمارے سرمایہ 2020	ہمارے سرمایہ 2019	
(روپے)		
24,683,727	19,260,418	آمدنی
(3,927,598)	(4,907,403)	آپریٹنگ اخراجات
(16,803,867)	(11,351,015)	اجارہ ٹاؤن کی فرسودگی کے اخراجات (ڈیپٹی سی ایٹیشن)
3,952,262	3,002,000	آپریٹنگ منافع
684,070	989,859	دیگر منافع
(772,282)	-	مراہمتی منگ کا پروڈیشن
3,864,050	3,991,859	منافع قبل از منجمنٹ ٹیکس
(386,405)	(399,186)	منجمنٹ ٹیکس
(50,233)	(51,894)	منجمنٹ ٹیکس پر ٹیکس
3,427,412	3,540,779	منافع قبل از ٹیکس
-	(230,350)	ٹیکس
3,427,412	3,310,429	منافع بعد از ٹیکس
0.34	0.33	آمدنی فی سرٹیفکیٹ
		کاروبار کا جائزہ

اس سرمایہ کی آمدنی 24,683 ملین روپے رہی جو گزشتہ سال مارچ 2019 کے مقابلے میں 28.16 فی صد زیادہ ہے۔ پچھلے سال کی آمدنی 19,260 ملین روپے تھی۔ آپریٹنگ اخراجات میں واضح کمی ہوئی کیونکہ ڈیپٹی سی ایٹیشن اخراجات میں اضافہ ہوا جسکی وجہ اجارہ ٹاؤن منگ میں اضافہ ہے۔ بعد از ٹیکس منافع 3,427 روپے رہا جو گزشتہ سال مارچ 2019 کے مقابلے میں 3.53 فی صد زیادہ ہے۔ اس طرح آمدنی فی سرٹیفکیٹ میں بھی اضافہ ہوا۔ اگرچہ جائزہ مدت کے دوران مضاربت نے مسابقتی شرح منافع پر اجارہ اور ڈیٹیلنگ مشارک میں سرمایہ کاری کی ہے جس سے مستقبل قریب میں مضاربت کی آمدنی اور زرخاز (ریجنرو) میں اضافہ ہوگا۔

مستقبل کے امکانات:

مضاربت کی توجہ ٹرانسنگ کے کاروبار پر مرکوز ہے۔ اپنے وسائل کا زیادہ سے زیادہ اور موثر استعمال کر کے آہستہ آہستہ اچھے معیار کے اثاثوں کا پورٹ فولیو بنانا تاکر اپنی کمپنیز ٹیٹ کو بہتر بنایا جاسکے۔ اب ہم ترقی کی طرف گامزن ہیں اور اللہ مالک ترقی کے اس سفر کو جاری رکھیں گے۔ ہمارا مقصد اجارہ میں سرمایہ کاری کے ٹیم میں اضافہ ہے تاکر ہم اپنے مطلوبہ منافع کا ہدف کو حاصل کر سکیں۔

اعتراف:

زیر جائزہ مدت کے دوران مضاربت ہٹھو رہے۔ رہنما اور مضاربت، بیگورڈ، اینڈ ایڈوائسنگ کمپنیز آف پاکستان کی رہنمائی اور اسٹاف کے تعاون کا اور مستقبل میں بھی اس کی امید رکھتا ہے۔

محمد ریاض
چیف ایگزیکٹو

24 اپریل 2020

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Popular Islamic Modaraba

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BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2020

	Un-audited Mar-20	Audited Jun-19
	(RUPEES)	
ASSETS		
NON CURRENT ASSETS		
Property and equipment - owned	41,632	15,770
Property and equipment - ijarah	30,470,239	21,159,909
Long Term Morabaha Finance	2,126,339	2,898,621
Long Term Investment-Diminishing Musharaka	39,858,704	41,321,200
	72,496,914	65,395,500
CURRENT ASSETS		
Short term morabaha finance	24,010,624	24,266,866
Current portion of Diminishing Musharakah	13,048,639	13,637,381
Advances and other receivables	2,670,981	3,065,395
Cash and bank balances	11,381,369	14,205,853
	51,111,613	55,175,495
TOTAL ASSETS	123,608,527	120,570,995
EQUITY AND LIABILITIES		
Authorized certificate capital		
14,000,000 (2019: 14,000,000) modaraba certificates of Rs. 10 each	140,000,000	140,000,000
Certificate holders' equity		
Certificate capital	100,000,000	100,000,000
Statutory reserve	18,754,553	18,754,553
Accumulated (loss)/profit	(32,746,393)	(32,693,805)
	86,008,160	86,060,748
NON-CURRENT LIABILITIES		
Security deposits against Ijarah	5,304,080	3,779,980
Deferred liability	942,738	779,293
	6,246,818	4,559,273
CURRENT LIABILITIES		
Accrued and other liabilities	582,581	669,019
Current portion of security deposits	3,230,000	2,643,200
Provision for taxation	14,980	14,980
Dividend payable	1,096,584	-
Unclaimed profit distribution	984,649	984,649
Payable to management company	25,000,000	25,000,000
Management fee payable	394,522	566,532
Sales tax on management fee	50,233	72,594
TOTAL LIABILITIES	31,353,549	29,950,974
CONTINGENCIES & COMMITMENTS		
	-	-
	123,608,527	120,570,995

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR



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PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE THE NINE MONTHS PERIOD AND THREE MONTHS ENDED MARCH 31, 2020

	Nine months ended		Three months ended	
	Mar-20 (Rupees)	Mar-19 (Rupees)	Mar-20 (Rupees)	Mar-19 (Rupees)
Income	24,683,727	19,260,418	8,696,688	6,954,558
Operating expenses	(3,927,598)	(4,907,403)	(1,193,899)	(1,511,048)
Depreciation of Ijarah Assets	(16,803,867)	(11,351,015)	(6,194,150)	(3,231,664)
Operating profit	3,952,262	3,002,000	1,308,639	2,211,846
Other Income	684,070	989,859	152,533	232,759
Reversal of/(Provision) for doubtful receivable	(772,282)	-	-	-
Profit before management fee	3,864,050	3,991,859	1,461,172	2,444,605
Management fee	(386,405)	(399,186)	(146,117)	(244,461)
Sales tax on management fee	(50,233)	(51,894)	(18,995)	(31,780)
Provision for worker's welfare fund	-	-	-	-
	(436,638)	(451,080)	(165,112)	(276,241)
Profit before taxation	3,427,412	3,540,779	1,296,060	2,168,364
Taxation	-	(230,350)	-	-
Profit after taxation	3,427,412	3,310,429	1,296,060	2,168,364
Other comprehensive income	-	-	-	-
Total comprehensive income	3,427,412	3,310,429	1,296,060	2,168,364
Earnings per certificate - basic & diluted	0.34	0.33	0.13	0.22

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CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2020

	Un-audited Mar-20	Un-audited Mar-19
	(RUPEES)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,427,412	3,540,779
Adjustments for:		
Depreciation expense	4,963	3,682
Depreciation of assets leased out under ijarah	15,706,127	11,073,577
	15,711,090	11,077,259
Operating profit before working capital changes	19,138,502	14,618,038
Decrease / (Increase) in current assets		
Current portion of morabaha finance	256,242	495,000
Current portion of long term investment D.M	588,742	(3,265,577)
Advances and other receivables	394,414	13,233,409
	1,239,398	10,462,832
Increase/(decrease) in current liabilities		
Accrued and other liabilities	(86,438)	(96,587)
Management fee payable	(172,010)	(460,814)
Sales tax on management fee	(22,361)	7,986
Charity Payable		8,866
	(280,809)	(540,549)
Cash generated from operations	20,097,091	24,540,321
Tax paid	-	(668,948)
Dividend paid	(2,383,416)	-
Net cash generated from operating activities	17,713,675	23,871,373
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets- ijarah	(27,027,000)	(1,499,000)
Ijarah assets transfer-net	2,173,987	3,578,085
Owned assets purchased	(30,825)	-
Security deposit from ijarah	2,110,900	2,393,091
Investment in murabaha finance	772,282	5,990,709
Investment in diminishing musharakah	1,462,496	(18,700,107)
Net cash (used in) investing activities	(20,538,160)	(8,237,222)
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net (decrease) in cash & cash equivalent	(2,824,485)	15,634,151
Cash and cash equivalents at the beginning of the year	14,205,853	6,168,668
Cash and cash equivalents at the end of the year	11,381,369	21,802,818

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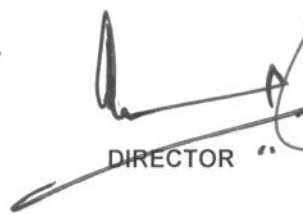
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2020

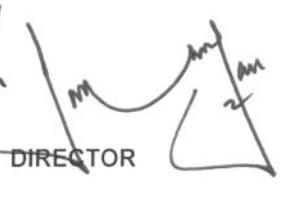
	Certificate Capital	Statutory Reserve	Accumulated profit	Total
	----- (Rupees) -----			
Balance as at June 30, 2018	100,000,000	17,786,733	(36,565,085)	81,221,648
Profit for the Year	-	-	4,839,100	4,839,100
Transferred to statutory reserve	-	967,820	(967,820)	-
Balance as at June 30, 2019	<u>100,000,000</u>	<u>18,754,553</u>	<u>(32,693,805)</u>	<u>86,060,748</u>
Profit for the Period	-	-	3,427,412	3,427,412
Dividend on profit	-	-	(3,480,000)	-
Transferred to statutory reserve	-	-	-	-
Balance as at March 31, 2020	<u>100,000,000</u>	<u>18,754,553</u>	<u>(32,746,393)</u>	<u>89,488,160</u>

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR



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NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

Popular Islamic Modaraba is a multipurpose, perpetual Modaraba formed under the Modaraba and Modaraba (floatation and control) Ordinance, 1980 and the rules framed there under and is managed by the Popular Islamic Modaraba Management Company (Private) Limited, a company incorporated in Pakistan under the Companies Ordinance, 1984 and registered with Registrar of Modaraba Companies. The registered office of the modaraba is situated at 15th Floor, Chappal Plaza, Hasrat Mohani Road, Off I.I.Chundrigar Road, Karachi. The Modaraba is listed on the Pakistan Stock Exchange.

The Modaraba is engaged in various Islamic modes of financing and business including Ijarah, Murabahah, Musharakah, Diminishing Musharakah.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. The requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules 1981 and directives issued by the SECP differ with the requirements of IFRS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules 1981 or directives issued by the SECP prevail.

3. BASIS OF MEASUREMENT

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Modaraba in the preparation of these condensed interim financial information are the same as those applied in preparation of the preceding published financial statements of the Modaraba for the year ended June 30, 2019.

	March 31, 2020	Audited June 30,2019
	(Rupees)	
5. PROPERTY & EQUIPMENTS - (OWNED)		
Cost	121,975	91,150
Less: Accumulated Depreciation	(80,343)	(75,380)
	<u>41,632</u>	<u>15,770</u>
6. PROPERTY & EQUIPMENTS - (IJARAH)		
Cost	42,075,800	41,393,402
Addition	27,027,000	4,959,400
Disposals (WDV)	(14,928,078)	(11,179,078)
Less: Accumulated Depreciation	(23,704,483)	(14,013,815)
	<u>30,470,239</u>	<u>21,159,909</u>

7. CONTINGENCIES & COMMITMENTS

Contingencies and commitments are those as disclosed in the audited financial statements for the year ended June 30,2019.

8. RELATED PARTY TRANSACTIONS

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

Nature of Transaction	Relationship with the Company		
Management fee	Management company	2,854,778	-
		<u>2,854,778</u>	<u>-</u>


9. General

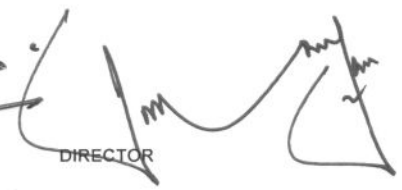
Figures have been rounded off to the nearest Rupee.

The annexed notes from 1 to 09 form an integral part of these condensed interim financial information.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR