



POPULAR ISLAMIC MODARABA

An Islamic Financial Institution

**HALF YEAR ENDED
DECEMBER 31, 2020**

Managed by :

**Popular Islamic Modaraba
Management Company (Pvt.) Ltd**



POPULAR ISLAMIC MODARABA

An Islamic Financial Institution

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 - Director - Independent Director - Director - Director & Company Secretary - Chief Executive Officer
AUDIT COMMITTEE	Mr. Khurram Abdullah Mr. Malik Junaid Emam Mr. Shahbaz Ali Malik	- Chairman - Member - Member
SHARIAH ADVISOR	Mufti Mohammad Ibrahim Essa	
COMPANY SECRETARY	Mr. Kamran Hussain Mughal	
CHIEF FINANCIAL OFFICER	Mr. Taswar Hussain	
BANKERS	Albaraka Bank (Pakistan) Limited Meezan Bank Limited	
AUDITORS	Baker Tilly Mehmood Idress Qamar Chartered Accountant	
LEGAL ADVISOR	Mr. Malik Muhammad Ishaque Advocate - High Court	
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 Shahra-e-Faisal, Karachi	



Directors' Report

The Board of Directors of 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 Half Year ended December 31, 2020 alongwith Auditors' Report to the Certificate Holders on Review of Condensed Interim Financial Information.

The summarized financial results for the half year ended December 31, 2020 are as under:

	December 31, 2020	December 31, 2019
	-----Rupees-----	
Income	21,224,353	15,987,039
Operating expenses	(2,887,024)	(2,733,699)
Depreciation of Ijarah assets	(13,704,117)	(10,609,717)
	(16,591,141)	(13,343,416)
Other income	324,620	531,537
Provision against Murabahah finance	-	(772,282)
Profit before management fee	4,957,832	2,402,878
Management fee	(495,783)	(240,288)
Sales tax on management fee	(64,452)	(31,237)
Profit before taxation	4,397,597	2,131,352
Taxation	-	-
Profit after taxation	4,397,597	2,131,352
Total comprehensive income	4,397,597	2,131,352
Earnings per certificate - basic & diluted	0.44	0.21

Review of Operations

During the period under review the Modaraba has performed reasonably well both in term of revenue (topline) and profitability (bottom line) due to proper product mix and efficient fund management.

The Income of Modaraba increased from Rs.15.987 million to Rs.21.224 million for the half year ended December 31, 2020. The Modaraba earned 106% higher profit after tax as compared to the profit after tax of correspondence period i.e from Rs.2.131 million to Rs.4.397 million. Accordingly, the earning per certificate worked out to Re.0.44 as compared to EPC of Re. 0.21 of correspondence period.



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The clientele has a good mix of multi-nationals, large and medium sized local corporate and selective SME relationships. The overall performance of Modaraba during the period was satisfactory and the Management is confident to improve the performance in future as well.

Future outlook

Modaraba is focusing on fresh financing business specifically to SMEs to improve profitability. Our endeavor to optimize the utilization of our own resources as well as controlled leveraging of the balance sheet to book and gradually build good quality assets portfolio continues. The Management of the Modaraba is proactively studying available options which would best protect and preserve certificate holders' interest in the future. We are fully committed to maintain this upward trend and Insha Allah foresee to achieve better results, and to pay progressive return to the certificate holders of the Modaraba.

Acknowledgments

The Modaraba has enjoyed the valuable guidance and support of the Registrar Modarabas and the Securities & Exchange Commission of Pakistan during the period under review and wishes to enjoy the same in future as well. The sincere and efficient efforts of the staff are also appreciated.

for and on behalf of the Board.

Muhammad Riaz
Chief Executive Officer

Dated: February 19, 2021
Karachi.

ڈائریکٹرز کی رپورٹ برائے نصف سال 31 دسمبر 2020

پاپولر اسلامک مضاربہ مینجمنٹ کمپنی (پرائیویٹ) لمیٹڈ جو پاپولر اسلامک مضاربہ کی مینجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو بہ مسرت ڈائریکٹرز کی رپورٹ بمعہ مضاربہ کے نصف سال کے جائزہ شدہ گوشوارے اور آڈیٹر کی جائزہ شدہ رپورٹ برائے نصف سال 31 دسمبر 2020 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

برائے دسمبر 2019	برائے دسمبر 2020	
----- (روپے) -----		
15,987,039	21,224,353	آمدنی
(2,733,699)	(2,887,024)	آپریٹنگ اخراجات
<u>(10,609,717)</u>	<u>(13,704,117)</u>	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپری سی ایشن)
2,643,623	4,633,212	آپریٹنگ نفع
531,537	324,620	دیگر آمدنی
<u>(772,282)</u>	-	مراجہ فنانس کا پروویژن
2,402,878	4,957,832	نفع قبل از مینجمنٹ فیس
(240,288)	(495,783)	مینجمنٹ فیس
(31,237)	(64,452)	مینجمنٹ فیس پریسیڈنٹس
<u>2,131,352</u>	<u>4,397,597</u>	نفع قبل از ٹیکس
-	-	ٹیکس
<u>2,131,352</u>	<u>4,397,597</u>	نفع بعد از ٹیکس
<u>0.21</u>	<u>0.44</u>	آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ:

زیر جائزہ مدت کے دوران مضاربہ نے مناسب پروڈکٹس اور موثر فنڈ مینجمنٹ کی وجہ سے آمدنی کے نقطہ نظر کے ساتھ ساتھ منافع سے بھی معقول کارکردگی کا مظاہرہ کیا ہے۔

نصف سال برائے 31 دسمبر 2020 کی آمدنی میں اضافہ ہوا جو کہ 15.987 ملین روپے سے بڑھ کر 21.224 ملین روپے ہوئی۔ گزشتہ سال کے مقابلے میں مضاربہ نے 106 فیصد زیادہ خالص منافع کمایا جو کہ 2.131 ملین سے بڑھ کر 4.397 ملین روپے رہا۔ اسی کے مطابق فی سرٹیفکیٹ آمدنی 0.44 روپیہ رہی جو کہ پچھلے سال 0.21 روپیہ تھی۔

مضار بہ کے کلائنٹس میں ملٹی نیشنل، بڑے اور درمیانے مقامی کارپوریٹ اور مخصوص ایس ایم ای شامل ہیں۔ مضار بہ کی مجموعی کارکردگی کافی تسلی بخش رہی اور انتظامیہ مستقبل میں بھی کارکردگی کو بہتر بنانے کیلئے پُر اعتماد ہے۔

مستقبل کے امکانات:

بنیادی طور پر مضار بہ کی توجہ نئی فنانسنگ کے کاروبار پر ہے خاص طور پر ایس ایم ایس تاکہ منافع میں مزید اضافہ کیا جاسکے۔ ہماری کوشش ہے کہ اپنے وسائل کو استعمال کرتے ہوئے اپنی بیلنس شیٹ کو بہتر بنائیں اور آہستہ آہستہ معیاری اثاثہ جات کا پورٹ فولیو بناتے رہیں۔ آپ کے مضار بہ کی انتظامیہ ان تمام دستیاب آپشن 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۔ انشاء اللہ ہم اس اضافہ کے رجحان کو برقرار رکھیں گے اور مستقبل میں اپنے سرٹیفکیٹ ہولڈرز کو بقائدگی سے منافع بھی ادا کریں گے۔

اعتراف:

اس نصف سال کے دوران مضار بہ مشکور 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 آفیسر

19 فروری 2021



POPULAR ISLAMIC MODARABA

An Islamic Financial Institution



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POPULAR ISLAMIC MODARABA AUDITOR'S REPORT TO THE CERTIFICATE HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Popular Islamic Modaraba** (the Modaraba) as at December 31, 2020 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six months' period then ended (*here-in-after referred to as the "condensed interim financial information"*). The Modaraba Management Company [Popular Islamic Modaraba Management Company (Private) Limited] is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim statement of profit and loss account, condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

ADVISORY • ASSURANCE • TAX

Baker Tilly Mehmood Idrees Qamar, Chartered Accountants trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at December 31, 2020 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is **Mehmood A. Razzak**.

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Karachi.

Date:



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CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2020

ASSETS	Note	(Un-audited) December 2020 Rupees	(Audited) June 2020 Rupees
Non - Current Assets			
Property and equipment - owned	5	31,337	37,844
Property and equipment - Ijarah	6	31,485,765	48,812,639
Long term Murabaha finance	7	1,449,310	1,449,310
Long term investment - diminishing Musharaka	8	43,180,037	44,454,026
		76,146,449	94,753,819
Current Assets			
Short term Morabaha finance	7	32,975,987	22,703,821
Current portion of diminishing Musharaka	8	10,416,926	5,009,086
Advances and other receivables		8,379,448	4,953,794
Cash and bank balances	9	4,400,944	4,536,119
		56,173,305	37,202,820
		132,319,754	131,956,639
EQUITY AND LIABILITIES			
Authorized certificate capital			
14,000,000 Modaraba certificates of Rs. 10/- each		140,000,000	140,000,000
Certificate holders' equity			
Certificate capital	10	100,000,000	100,000,000
Statutory reserves		19,863,189	19,863,189
Accumulated losses		(31,376,662)	(31,739,259)
		88,486,527	88,123,930
Non - Current Liabilities			
Security deposits against ijarah	11	2,763,170	2,902,510
Deferred liability		1,104,590	1,023,222
		3,867,760	3,925,732
Current Liabilities			
Current portion of security deposits	11	6,744,850	9,561,120
Accrued and other liabilities		1,658,939	956,425
Charity payable		13,415	-
Provision for taxation		14,980	14,980
Unclaimed profit distribution		2,964,931	1,366,335
Loan from management company		28,000,000	28,000,000
Management fee payable		503,900	8,117
Sales tax on management fee payable		64,452	-
		39,965,467	39,906,977
Contingencies and commitments			
	12		
		132,319,754	131,956,639

The annexed notes form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

Director



POPULAR ISLAMIC MODARABA

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CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	HALF YEAR ENDED		QUARTER ENDED	
		December 2020 Rupees	December 2019 Rupees	December 2020 Rupees	December 2019 Rupees
Income	13	21,224,353	15,987,039	10,755,098	9,437,559
Operating expenses		(2,887,024)	(2,733,699)	(1,562,906)	(1,230,360)
Depreciation on property and equipment - Ijarah		(13,704,117)	(10,609,717)	(5,672,271)	(6,603,581)
		(16,591,141)	(13,343,416)	(7,235,177)	(7,833,941)
Other income	14	324,620	531,537	135,076	329,887
Provision against Murabaha finance		-	(772,282)	-	(772,282)
Profit before management fee		4,957,832	2,402,878	3,654,997	1,161,222
Management fee		(495,783)	(240,288)	(365,499)	(116,122)
Sales tax on management fee		(64,452)	(31,237)	(47,515)	(15,095)
Profit before taxation		4,397,597	2,131,352	3,241,983	1,030,005
Taxation		-	-	-	-
Profit after taxation		4,397,597	2,131,352	3,241,983	1,030,005
Earnings per certificate - basic & diluted	15	0.44	0.21	0.32	0.10

The annexed notes form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

Director



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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	HALF YEAR ENDED		QUARTER ENDED	
	December 2020 Rupees	December 2019 Rupees	December 2020 Rupees	December 2019 Rupees
Net income for the period	4,397,597	2,131,352	3,241,983	1,030,005
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>4,397,597</u>	<u>2,131,352</u>	<u>3,241,983</u>	<u>1,030,005</u>

The annexed notes form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

Director



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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 2020	December 2019
Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,397,597	2,131,352
Adjustments for non cash items:		
Depreciation on property and equipment-owned	6,507	2,472
Gain on termination	(161,287)	(180,201)
Provision against Murabaha finance	-	772,282
Provision for gratuity	81,368	163,445
Depreciation on property and equipment - Ijarah	13,704,117	9,459,717
	18,028,302	12,349,067
(Increase) / decrease in current assets		
Advances and other receivables	(3,425,654)	475,447
Increase / (decrease) in current liabilities		
Accrued and other liabilities	702,514	(193,559)
Charity payable	13,415	4,242
Management fee payable	495,783	(318,127)
Sales tax on management fee payable	64,452	(41,357)
Cash generated from operations	15,878,812	12,275,714
Tax paid	-	-
Net cash generated from operating activities	15,878,812	12,275,714
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property and equipment - Ijarah	-	(25,527,000)
Disposal of property and equipment - Ijarah	3,784,044	1,330,201
Security deposit from Ijarah	(2,955,610)	2,724,100
Investment in Murabaha finance	(10,272,166)	112,033
Rentals received against diminishing Musharaka	(4,133,851)	5,649,097
Net cash used in investing activities	(13,577,583)	(15,711,569)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,436,404)	(2,380,937)
Net cash used in financing activities	(2,436,404)	(2,380,937)
Net decrease in cash and cash equivalents	(135,175)	(5,816,792)
Cash and cash equivalents at the beginning of the period	4,536,119	14,205,853
Cash and cash equivalents at the end of the period	4,400,944	8,389,061

The annexed notes form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

Director



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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Certificate capital	Statutory reserves	Accumulated losses	Total
Rupees				
Balance as at July 01, 2019	100,000,000	18,754,553	(32,693,805)	86,060,748
Total comprehensive income	-	-	2,131,352	2,131,352
Final dividend at the rate Re. 0.348 (3.48%) per certificate for the year ended June 30, 2019	-	-	(3,480,000)	(3,480,000)
Balance as at December 31, 2019	100,000,000	18,754,553	(34,042,453)	84,712,100
Balance as at July 01, 2020	100,000,000	19,863,189	(31,739,259)	88,123,930
Total comprehensive income	-	-	4,397,597	4,397,597
Final dividend at the rate Re. 0.4035 (4.035%) per certificate for the year ended June 30, 2020	-	-	(4,035,000)	(4,035,000)
Balance as at December 31, 2020	100,000,000	19,863,189	(31,376,662)	88,486,527

The annexed notes form an integral part of these condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

Director



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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND OPERATIONS

1.1 Popular Islamic Modaraba (the 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 (now Companies Act, 2017) and registered with Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 15th Floor, Chapal Plaza, Hasrat Mohani Road, Off I.I.Chundrigar Road, Karachi. The Modaraba is listed on the Pakistan Stock Exchange.

The Modaraba is engaged in various Islamic modes of financing and business including Ijarah, Diminishing Musharakah, Musharaka, Murabaha arrangements, and will be trading in listed securities and other commodities.

2. STATEMENT OF COMPLIANCE

These condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. 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 Accountants 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, IFASs, Modaraba Companies and Modaraba Rules, 1981 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, IFASs, Modaraba Companies and Modaraba Rules, 1981, or the directives issued by SECP shall prevail.

The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial information does not include all the information required for a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2020

3. BASIS OF PREPARATION

The comparative balance sheet presented in these condensed interim financial information as at December 31, 2020 has been extracted from the audited financial statements of the Modaraba for the year ended June 30, 2020, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the half year ended December 31, 2019 have been extracted from the unaudited condensed interim financial information for the period then ended.

These condensed interim financial information comprise of the balance sheet as at December 31, 2020 and statement of profit and loss account, statement of other comprehensive income, the cash flow statement and statement of changes in equity for the half year ended December 31, 2020 which have been subjected to a review but not audited.

4. ACCOUNTING POLICIES AND COMPUTATION METHOD

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, 2020.



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		(Un-audited) December 2020	(Audited) June 2020
	Note	Rupees	Rupees
5. PROPERTY AND EQUIPMENT - OWNED			
Opening net book value		37,844	15,770
Additions		-	30,825
Disposals(WDV)		-	(4,905.00)
Depreciation charged		(6,507)	(8,751)
Closing net book value		31,337	37,844
6. PROPERTY AND EQUIPMENT - IJARAH			
Opening net book value		48,812,639	21,159,909
Additions		-	53,792,500
Disposals(WDV)		(3,622,757)	(2,565,184)
Depreciation charged		(13,704,117)	(23,574,586)
Closing net book value		31,485,765	48,812,639
7. LONG TERM MURABAHA FINANCE			
Considered good	7.1	32,994,897	22,722,731
Considered doubtful		2,202,682	2,202,682
		35,197,579	24,925,413
Provision against doubtful		(772,282)	(772,282)
Less: Current portion of Murabaha finance		(32,975,987)	(22,703,821)
		1,449,310	1,449,310
7.1	The profit rates on these Murabaha arrangements ranges between 9.41% and 14.86% (2019: 9.41% and 14.86%). 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 postdated cheques varying from case to case.		
8. LONG TERM INVESTMENT - DIMINISHING MUSHARAKA			
Investment under Diminishing Musharaka		53,596,963	49,463,112
Less: Current portion of Diminishing Musharaka		(10,416,926)	(5,009,086)
		43,180,037	44,454,026
9. CASH AND BANK BALANCES			
Cash in hand		60,568	35,568
Cash at bank:			
- Saving accounts	9.1	2,257,431	4,016,202
- Dividend account		1,980,281	381,685
- Saving accounts with State Bank of Pakistan		102,664	102,664
		4,400,944	4,536,119
9.1	Deposit accounts are Shariah compliant and rate of profit on deposit accounts ranges from 2.75% to 2.85% (2019: 4.12% to 4.66%) per annum.		



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		(Un-audited) December 2020 Rupees	(Audited) June 2020 Rupees
10. CERTIFICATE CAPITAL			
	Number of Certificates		
	December June 2020 2020		
	----- Number of Certificates -----		
	<u>10,000,000</u> <u>10,000,000</u> Modaraba certificates of Rs. 10/- each fully paid in cash	<u>100,000,000</u>	<u>100,000,000</u>
11. SECURITY DEPOSITS AGAINST IJARAH			
	Security deposits	9,508,020	12,463,630
	Less: Current portion of security deposits	(6,744,850)	(9,561,120)
		<u>2,763,170</u>	<u>2,902,510</u>
12. CONTINGENCIES AND COMMITMENTS			
	Contingencies		
	In the year 1998, the modaraba filed an appeal before Customs, Excise and Sales Tax Appellate Tribunal, Karachi bench against an allegation that the modaraba has short paid of Rs. 377,755/- as principal amount of sales tax short paid during the year 1998 and additional tax of Rs. 79,364/-. A penalty of Rs. 10,000/- was also imposed. The case is pending before the Honorable Appellate Tribunal. The modaraba has not made any provision as the legal counsel expects a favourable outcome of the appeal.		
	Commitments		
	The Modaraba has no commitments as at December 31, 2020 (June 30, 2019: NIL).		
13. INCOME		(Un-audited) December 2020 Rupees	(Un-audited) December 2019 Rupees
	Income on:		
	- Murabaha	1,514,306	1,961,582
	- Ijarah	17,062,436	10,934,012
	- Diminishing Musharaka	2,647,611	3,091,445
		<u>21,224,353</u>	<u>15,987,039</u>
14. OTHER INCOME			
	Profit on deposit accounts	136,955	267,015
	Gain on termination	161,287	180,201
	Other income	26,378	84,321
		<u>324,620</u>	<u>531,537</u>
15. EARNINGS PER CERTIFICATE - BASIC & DILUTED			
	Profit after taxation	4,397,597	2,131,352
	Weighted average number of certificates - numbers	10,000,000	10,000,000
	Earnings per certificate - basic & diluted	<u>0.44</u>	<u>0.21</u>



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16. INFORMATION ABOUT BUSINESS SEGMENTS

	For The Half Year Ended December 31, 2020				
	Musharaka	Ijarah	Murabaha	Others	Total
----- Rupees -----					
Segment revenues	2,647,611	17,062,436	1,514,306	324,620	21,548,973
Segment results					
Segment income	2,647,611	17,062,436	1,514,306	324,620	21,548,973
Operating expenses	(354,714)	(2,285,940)	(202,879)	(43,491)	(2,887,024)
Depreciation on property and equipment - Ijarah	-	(13,704,117)	-	-	(13,704,117)
Management fee and sales tax	-	-	-	(560,235)	(560,235)
Segment results	2,292,897	1,072,379	1,311,427	(279,106)	4,397,597

	For The Half Year Ended December 31, 2019				
	Musharaka	Ijarah	Murabaha	Others	Total
----- Rupees -----					
Segment revenues	3,091,445	10,934,012	1,961,582	531,537	16,518,575
Segment results					
Segment income	3,091,445	10,934,012	1,961,582	531,537	16,518,575
Operating expenses	(511,611)	(1,809,496)	(324,627)	(87,965)	(2,733,699)
Depreciation on property and equipment - Ijarah	-	(10,609,717)	-	-	(10,609,717)
Provision against Murabaha finance	-	-	(772,282)	-	(772,282)
Management fee and sales tax	-	-	-	(271,525)	(271,525)
Segment results	2,579,834	(1,485,201)	864,673	172,046	2,131,352

	As At December 31, 2020				
	Musharaka	Ijarah	Murabaha	Others	Total
----- Rupees -----					
Other information					
Capital expenditure	7,569,500	-	8,837,104	-	16,406,604
Depreciation on property and equipment - Ijarah	-	(13,704,117)	-	-	(13,704,117)
Assets and liabilities					
Segment assets					
Segment assets	53,596,963	31,485,765	35,197,579	8,379,448	128,659,755
Provision against assets	-	-	(772,282)	-	(772,282)
Unallocated	-	-	-	4,432,281	4,432,281
Total segment assets	53,596,963	31,485,765	34,425,297	12,811,729	132,319,754
Segment liabilities					
Security deposits	-	9,508,020	-	28,000,000	37,508,020
Unallocated liabilities	-	-	-	6,325,207	6,325,207
Total segment liabilities	-	9,508,020	-	34,325,207	43,833,227
Total net assets					88,486,527



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	As At June 30, 2020				Total
	Musharaka	Ijarah	Murabaha	Others	
	Rupees				
Other information					
Capital expenditure	10,468,800	53,792,500	2,348,400	-	66,609,700
Depreciation on property and equipment - Ijarah	-	(23,574,586)	-	-	(23,574,586)
Assets and liabilities					
Segment assets					
Segment assets	49,463,112	48,812,639	24,925,413	4,953,794	128,154,958
Provision against assets	-	-	(772,282)	-	(772,282)
Unallocated	-	-	-	4,573,963	4,573,963
Total segment assets	49,463,112	48,812,639	24,153,131	9,527,757	131,956,639
Segment liabilities					
Security deposits	-	12,463,630	-	-	12,463,630
Loan from management company	-	-	-	28,000,000	28,000,000
Unallocated liabilities	-	-	-	3,369,079	3,369,079
Total segment liabilities	-	12,463,630	-	31,369,079	43,832,709
Total net assets					88,123,930

17. RELATED PARTY TRANSACTIONS

The related party comprises of associated undertakings (including Modaraba Management Company) and directors of the Modaraba Management Company. The Modaraba, in the normal course of business carries out transaction with these related parties. Significant transactions with related parties are as follows:

Nature of Transaction	Relationship with the company	(Un-audited)	(Un-audited)
		December 2020	December 2019
		Rupees	Rupees
Management fee for the period	Management company	495,783	240,288
Dividend paid	Management company	631,545	544,620
Balance as at the period / year end		(Un-audited) December 2020	(Audited) June 2020
Payable to Modaraba Management Company	Management company	28,000,000	28,000,000
Management fee payable	Management company	503,900	8,117

18. FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

The Modaraba's financial risk management objectives and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2020.

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **February 19, 2021** by the Board of Directors of the Modaraba Management Company.



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20. GENERAL

20.1 Figures have been rounded off to the nearest rupee.

20.2 Figures have been reclassified and re-arranged where necessary.

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

Chief Financial Officer

Chief Executive Officer

Director

Director

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