



Popular Islamic Modaraba
An Islamic Financial Institution

CONDENSED INTERIM FINANCIAL INFORMATION
HALF YEAR ENDED
December 31, 2021

Managed By:

Popular Islamic Modaraba
Management Company (Pvt.) Limited



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. Shoaib Sheikh	
BANKERS	Albaraka Bank (Pakistan) Limited Meezan Bank Limited	
AUDITORS	Baker Tilly Mehmood Idress Qamar Chartered Accountant	
LEGAL ADVISOR	Syed Sikandar Ali Shah 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	



Popular Islamic Modaraba

An Islamic Financial Institution

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, 2021 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, 2021 are as under:

	December 31, 2021	December 31, 2020
	-----Rupees-----	
Income	10,137,254	21,224,353
Operating expenses	(3,420,614)	(2,887,024)
Depreciation of Ijarah assets	(3,844,656)	(13,704,117)
	(7,265,270)	(16,591,141)
Other income	327,762	324,620
Profit before management fee	3,199,746	4,957,832
Management fee	(159,987)	(495,783)
Sales tax on management fee	(20,798)	(64,452)
Profit before taxation	3,018,961	4,397,597
Taxation	-	-
Profit after taxation	3,018,961	4,397,597
Total comprehensive income	3,018,961	4,397,597
Earnings per certificate - basic & diluted	0.24	0.44

Review of Operations

During the period under review the Modaraba has performed reasonably well. The Income of Modaraba decreased due to shifting of portfolio from Ijarah to Diminishing Musharakah, resultantly, the net income also decreased. The Management has increased the investment in Morabahah Finance, the effect of the same will be shown in Annual Financial Statements. During the period the Modaraba has converted the loan of Rs.40 million into equity by other than Right Issue. Thereafter, the paid up capital increased from Rs.100 million to Rs.140 million.

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.



Popular Islamic Modaraba

An Islamic Financial Institution

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 25, 2022
Karachi.

ڈائریکٹرز کی رپورٹ برائے نصف سال 31 دسمبر 2021

پاپولر اسلامک مضاربہ منجمنٹ کمپنی (پرائیویٹ) لمیٹڈ جو پاپولر اسلامک مضاربہ کی منجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو یہ مسرت ڈائریکٹرز کی رپورٹ بمعہ مضاربہ کے نصف سال کے جائزہ شدہ گوشوارے اور آڈیٹر کی جائزہ شدہ رپورٹ برائے نصف سال 31 دسمبر 2021 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

برائے دسمبر 2020	برائے دسمبر 2021	
----- (روپے) -----		
21,224,353	10,137,254	آمدنی
(2,887,024)	(3,420,614)	آپریٹنگ اخراجات
(13,704,117)	(3,844,656)	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپری سی ایشن)
4,633,212	2,871,984	آپریٹنگ نفع
324,620	327,762	دیگر آمدنی
4,957,832	3,199,746	نفع قبل از منجمنٹ فیس
(495,783)	(159,987)	منجمنٹ فیس
(64,452)	(20,798)	منجمنٹ فیس پریسزنگس
4,397,597	3,018,961	نفع قبل از ٹیکس
-	-	ٹیکس
4,397,597	3,018,961	نفع بعد از ٹیکس
0.44	0.24	آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ:

زیر جائزہ مدت کے دوران مضاربہ نے معقول کارکردگی کا مظاہرہ کیا ہے۔ مضاربہ کی آمدنی کم ہونے کی وجہ اجارہ پورٹ فولیو کی ڈیمنشنگ مشارکہ پر منتقلی ہے، آہی وجہ سے خالص منافع میں بھی کمی ہوئی۔ مضاربہ نے مراہجہ کی انوسٹمنٹ میں اضافہ کیا ہے جس کا اثر سالانہ گوشواروں میں نظر آئے گا۔ زیر جائزہ مدت کے دوران مضاربہ نے ۴۰ ملین کے قرضے کو other than Right میں منتقل کیا ہے جس کے بعد مضاربہ کی بیڈ اپ کیپٹل ۱۰۰ ملین روپے سے بڑھ کر ۱۴۰ ملین روپے ہو گئی ہے۔

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

مستقبل کے امکانات:

بنیادی طور پر مضاربہ کی توجہ فی فنڈنگ 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 مضاربہ کی انتظامیہ ان تمام دستیاب آپشن پر تحقیق کر رہی ہے جن سے مستقبل میں سرٹیفکیٹ ہولڈرز کے مفادات کا تحفظ کیا جاسکے۔ ہم مضاربہ 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۔



Popular Islamic Modaraba

An Islamic Financial Institution

اعتراف:

اس نصف سال کے دوران مضاربہ مشکور ہے رجسٹرار مضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، این بی ایف آئی اینڈ مضاربہ 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

25 فروری 2022



Popular Islamic Modaraba

An Islamic Financial Institution



Baker Tilly Mehmood Idrees Qamar
Chartered Accountants
4th Floor, Central Hotel Building,
Civil Lines, Mereweather Road,
Karachi - Pakistan

T: +92 (021) 35644872-7
F: +92 (021) 35644873

info@bakertilly.pk
www.bakertilly.pk

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, 2021 and the related condensed interim profit or loss and other 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 or loss and other comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2021.

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.



Popular Islamic Modaraba

An Islamic Financial Institution



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, 2021 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**.

BR

Baker Tilly Mehmood drees Qamar

Baker Tilly Mehmood drees Qamar
Chartered Accountants

Karachi.

Date: February 25, 2022



Popular Islamic Modaraba

An Islamic Financial Institution

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2021

ASSETS	Note	(Un-audited) December 2021	(Audited) June 2021
----- Rupees -----			
Non - Current Assets			
Property and equipment - owned	5	198,854	80,689
Property and equipment - Ijarah	6	23,247,978	22,559,434
Long term Murabaha Finance	7	-	-
Long term investment - Diminishing Musharaka	8	36,205,285	36,313,699
		59,652,117	58,953,822
Current Assets			
Current portion of Murabaha Finance	7	44,708,312	38,831,773
Current portion of Diminishing Musharaka	8	16,082,434	13,479,037
Advances and other receivables		6,184,105	10,289,573
Cash and bank balances	9	12,539,963	7,948,500
		79,514,814	70,548,883
		139,166,931	129,502,705
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	140,000,000	100,000,000
Statutory reserves		21,381,181	21,381,181
Accumulated losses		(32,330,931)	(29,702,292)
		129,050,250	91,678,889
Non - Current Liabilities			
Security deposits against ijarah	11	3,422,100	2,684,900
Deferred liability		1,251,112	1,401,130
		4,673,212	4,086,030
Current Liabilities			
Current portion of security deposits	11	933,250	1,303,478
Accrued and other liabilities		416,016	2,273,050
Charity payable		1,687	-
Provision for taxation		14,980	14,980
Unclaimed profit distribution		3,896,751	1,674,373
Loan from management company		-	28,000,000
Management fee payable		159,987	418,549
Sales tax on management fee payable		20,798	53,356
		5,443,469	33,737,786
Contingencies and commitments			
	12		
		139,166,931	129,502,705
<i>The annexed notes form an integral part of these condensed interim financial information.</i>			
For Popular Islamic Modaraba Management Company (Private) Limited (Management Company)			
-SD-	-SD-	-SD-	-SD-
Chief Financial Officer	Chief Executive Officer	Director	Director



Popular Islamic Modaraba

An Islamic Financial Institution

CONDENSED INTERIM PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	HALF YEAR ENDED		QUARTER ENDED	
		December 2021 Rupees	December 2020 Rupees	December 2021 Rupees	December 2020 Rupees
Income	13	10,137,254	21,224,353	4,632,698	10,755,098
Operating expenses		(3,420,614)	(2,887,024)	(1,319,572)	(1,562,906)
Depreciation on property and equipment - Ijarah		(3,844,656)	(13,704,117)	(1,989,715)	(5,672,271)
		(7,265,270)	(16,591,141)	(3,309,287)	(7,235,177)
Other income	14	327,762	324,620	178,055	135,076
Profit before management fee		3,199,746	4,957,832	1,501,466	3,654,997
Management fee		(159,987)	(495,783)	(75,073)	(365,499)
Sales tax on management fee		(20,798)	(64,452)	(9,759)	(47,515)
Profit before taxation		3,018,961	4,397,597	1,416,634	3,241,983
Taxation		-	-	-	-
Profit after taxation		3,018,961	4,397,597	1,416,634	3,241,983
Other comprehensive income		-	-	-	-
Total comprehensive income		3,018,961	4,397,597	1,416,634	3,241,983
Earnings per certificate - basic & diluted	15	0.24	0.44	0.10	0.32

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

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

-SD-

-SD-

-SD-

-SD-

Chief Financial Officer

Chief Executive Officer

Director

Director



Popular Islamic Modaraba

An Islamic Financial Institution

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	December 2021	December 2020
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,018,961	4,397,597
Adjustments for non cash items:		
Depreciation on property and equipment-owned	25,695	6,507
Gain on termination	-	(161,287)
Provision for gratuity	-	81,368
Depreciation on property and equipment - Ijarah	3,844,656	13,704,117
	6,889,312	18,028,302
(Increase) / decrease in current assets		
Advances and other receivables	4,105,468	(3,425,654)
Increase / (decrease) in current liabilities		
Accrued and other liabilities	(1,857,034)	702,514
Charity payable	1,687	13,415
Management fee payable	(258,562)	495,783
Sales tax on management fee payable	(32,558)	64,452
	8,848,312	15,878,812
Cash generated from operations		
Gratuity paid	(150,018)	-
Net cash generated from operating activities	8,698,295	15,878,812
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property and equipment - Ijarah	(5,873,000)	-
Disposal of property and equipment - Ijarah	1,339,800	3,784,044
Additions in property and equipment - Owned	(143,860)	-
Security deposit from Ijarah	366,972	(2,955,610)
Investment in Murabaha finance	(5,876,539)	(10,272,166)
Rentals received against diminishing Musharaka	(2,494,983)	(4,133,851)
Net cash used in investing activities	(12,681,610)	(13,577,583)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of certificate capital (additional cash)	12,000,000	-
Dividend paid	(3,425,222)	(2,436,404)
Net cash generated/(used) used in financing activities	8,574,778	(2,436,404)
Net increase/(decrease) in cash and cash equivalents	4,591,462	(135,175)
Cash and cash equivalents at the beginning of the period	7,948,500	4,536,119
Cash and cash equivalents at the end of the period	9 12,539,963	4,400,944

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

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

-SD-

-SD-

-SD-

-SD-

Chief Financial Officer

Chief Executive Officer

Director

Director



Popular Islamic Modaraba

An Islamic Financial Institution

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Certificate capital	Statutory reserves	Accumulated losses	Total
----- Rupees -----				
Balance as at July 01, 2020	100,000,000	19,863,189	(31,739,259)	88,123,930
Profit for the period	-	-	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
Balance as at July 01, 2021	100,000,000	21,381,181	(29,702,292)	91,678,889
Profit for the period	-	-	3,018,961	3,018,961
Issue of certificate capital	40,000,000	-	-	40,000,000
Final dividend at the rate Re. 0.5647 (5.6476%) per certificate for the year ended June 30, 2021	-	-	(5,647,600)	(5,647,600)
Balance as at December 31, 2021	140,000,000	21,381,181	(32,330,931)	129,050,250

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

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

-SD-

Chief Financial Officer

-SD-

Chief Executive Officer

-SD-

Director

-SD-

Director



Popular Islamic Modaraba

An Islamic Financial Institution

NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2021

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 (now Companies Act, 2017) 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, musharaka, murabaha arrangements, trading in listed securities and other commodities are under consideration.

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, 2021.

3. BASIS OF PREPARATION

The comparative balance sheet presented in these condensed interim financial information as at December 31, 2021 has been extracted from the audited financial statements of the Modaraba for the year ended June 30, 2021, 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, 2020 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, 2021 and condensed interim profit or loss and other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year ended December 31, 2021 which have been subjected to a review but not audited.

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, 2021.



Popular Islamic Modaraba

An Islamic Financial Institution

		(Un-audited) December 2021	(Audited) June 2021
		----- Rupees -----	
5. PROPERTY AND EQUIPMENTS - (OWNED)			
Opening net book value		80,689	37,844
Additions		143,860	64,000
Depreciation charged		(25,695)	(21,155)
Closing net book value		198,854	80,689
6. PROPERTY AND EQUIPMENTS - (IJARAH)			
Opening net book value		22,559,434	48,812,639
Additions		5,873,000	8,479,500
Disposals (WDV)		(1,339,800)	(9,218,824)
Depreciation charged		(3,844,656)	(25,513,881)
Closing net book value		23,247,978	22,559,434
7. LONG TERM MURABAHA FINANCE			
Considered good	7.1	43,277,912	32,731,952
Considered doubtful		2,202,682	6,872,103
		45,480,594	39,604,055
Provision against doubtful		(772,282)	(772,282)
Less: Current portion of Murabaha finance		(44,708,312)	(38,831,773)
		-	-
7.1	The profit rates on these Murabaha arrangements ranges between 9.41% and 14.86% (2020: 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.		
		(Un-audited) December 2021	(Audited) June 2021
		----- Rupees -----	
8. LONG TERM INVESTMENT - DIMINISHING MUSHARAKA			
Investment under Diminishing Musharaka		52,287,719	49,792,736
Less: Current portion of Diminishing Musharaka		(16,082,434)	(13,479,037)
		36,205,285	36,313,699
9. CASH AND BANK BALANCES			
Cash in hand		74,298	59,298
Cash at bank:			
- Saving accounts		9,460,841	7,106,756
- Dividend account		2,912,101	689,723
- Saving accounts with State Bank of Pakistan		92,723	92,723
		12,539,963	7,948,500



Popular Islamic Modaraba

An Islamic Financial Institution

		(Un-audited) December 2021	(Audited) June 2021
		----- Rupees -----	
10. CERTIFICATE CAPITAL			
Number of Certificates			
December 2021	June 2021		
----- Number of Certificates -----			
10,000,000	10,000,000	Modaraba certificates of Rs. 10/- each fully paid in cash	100,000,000
4,000,000	-	Other than right issue of Rs. 10/- each fully paid in cash	40,000,000
14,000,000	10,000,000		140,000,000
			100,000,000
11. SECURITY DEPOSITS AGAINST IJARAH			
Security deposits		4,355,350	4,957,950
Less: Current portion of security deposits		(933,250)	(2,273,050)
		3,422,100	2,684,900
12. CONTINGENCIES AND COMMITMENTS			
Contingencies			
<p>During the year, the Modaraba received a demand order by DCIR dated November 30, 2020 under section 122(1) of the Income Tax Ordinance, 2001 creating a demand of Rs. 31,924,536 pertaining to tax year 2016. The Modaraba filed an appeal against the said demand order dated December 17, 2020 before Commissioner Inland Revenue (Appeal - III) Karachi, which was dismissed as against the Modaraba. Further, the Modaraba filed revised appeal before Appellate Tribunal Inland Revenue through letter reference no. ITA No. 245/KB-2021 and, in pursuance thereof the Modaraba was granted stay against recovery proceeding vide M.A stay no. 185/KB-2021. Currently, the stay (next date of hearing) is valid till September 28, 2021. The Management of the Modaraba, in consultation with its advisors is confident that the decision / outcome will be in favour of</p>			
Commitments			
The Modaraba has no commitments as at December 31, 2021 (June 30, 2021: NIL).			
13. INCOME		(Un-audited) December 2021	(Un-audited) December 2020
		----- Rupees -----	
Income on:			
- Murabaha		1,831,608	1,514,306
- Ijarah		5,408,040	17,062,436
- Diminishing Musharaka		2,897,606	2,647,611
		10,137,254	21,224,353



Popular Islamic Modaraba

An Islamic Financial Institution

		(Un-audited) December 2021	(Un-audited) December 2020		
14. OTHER INCOME					
		----- Rupees -----			
Profit on deposit accounts		262,642	136,955		
Gain on termination		-	161,287		
Other income		65,120	26,378		
		327,762	324,620		
15. EARNINGS PER CERTIFICATE - BASIC & DILUTED		(Un-audited) December 2021	(Un-audited) December 2020		
Profit after taxation	Rupees	3,018,961	4,397,597		
Weighted average number of certificates - numbers	Number	12,666,666	10,000,000		
Earnings per certificate - basic & diluted		0.24	0.44		
16. INFORMATION ABOUT BUSINESS SEGMENTS					
	For The Half Year Ended December 31, 2021				
	Musharaka	Ijarah	Murabaha	Others	Total
	----- Rupees -----				
Segment revenues	2,897,606	5,408,040	1,831,608	327,762	10,465,016
Segment results					
Segment income	2,897,606	5,408,040	1,831,608	327,762	10,465,016
Operating expenses	(947,117)	(1,767,682)	(598,683)	(107,133)	(3,420,614)
Depreciation on property and equipment - Ijarah	-	(3,844,656)	-	-	(3,844,656)
Management fee and sales tax	-	-	-	(180,785)	(180,785)
Segment results	1,950,489	(204,298)	1,232,925	39,844	3,018,961
	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



Popular Islamic Modaraba

An Islamic Financial Institution

	As At December 31, 2021				
	Musharaka	Ijarah	Murabaha	Others	Total
----- Rupees -----					
Other information					
Capital expenditure	9,574,900	5,873,000	9,999,962	-	25,447,862
Depreciation on property and equipment - Ijarah	-	(3,844,656)	-	-	(3,844,656)
Assets and liabilities					
Segment assets					
Segment assets	52,287,719	23,247,978	45,480,594	6,184,105	127,200,396
Provision against assets	-	-	(772,282)	-	(772,282)
Unallocated	-	-	-	12,738,817	12,738,817
Total segment assets	52,287,719	23,247,978	44,708,312	18,922,922	139,166,931
Segment liabilities					
Security deposits	-	4,355,350	-	-	4,355,350
Unallocated liabilities	-	-	-	5,761,331	5,761,331
Total segment liabilities	-	4,355,350	-	5,761,331	10,116,681
Total net assets					129,050,250
	As At June 30, 2021				
	Musharaka	Ijarah	Murabaha	Others	Total
----- Rupees -----					
Other information					
Capital expenditure	-	8,479,500	-	-	8,479,500
Depreciation on property and equipment - Ijarah	-	(25,513,881)	-	-	(25,513,881)
Assets and liabilities					
Segment assets					
Segment assets	49,792,736	22,559,434	39,604,055	10,289,573	122,245,798
Provision against assets	-	-	(772,282)	-	(772,282)
Unallocated	-	-	-	8,029,189	8,029,189
Total segment assets	49,792,736	22,559,434	38,831,773	18,318,762	129,502,705
Segment liabilities					
Security deposits	-	4,957,950	-	-	4,957,950
Loan from management company	-	-	-	28,000,000	28,000,000
Unallocated liabilities	-	-	-	4,865,866	4,865,866
Total segment liabilities	-	4,957,950	-	32,865,866	37,823,816
Total net assets					91,678,889



Popular Islamic Modaraba

An Islamic Financial Institution

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 2021 Rupees	December 2020 Rupees
Management fee for the period	Management company	159,987	495,783
Dividend paid	Management company	-	631,545
Balance as at the period / year end		(Un-audited)	(Audited)
		December 2021	June 2021
		Rupees	Rupees
Payable to Modaraba Management Company	Management company	-	28,000,000
Management fee payable	Management company	159,987	503,900

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, 2021.

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **February 25, 2022** by the Board of Directors of the Modaraba Management Company.

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)

-SD-

-SD-

-SD-

-SD-

Chief Financial Officer

Chief Executive Officer

Director

Director