



Popular Islamic Modaraba

An Islamic Financial Institution

Quarterly Financial Information

March 31, 2021

(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, 2021.

The summarized financial results for the Quarter ended March 31, 2021 are as under:

| | Mar-21 | Mar-20 |
|--|---------------------|------------------|
| | ------(Rupees)----- | |
| Income | 29,448,173 | 24,683,727 |
| Operating expenses | (4,538,383) | (3,927,598) |
| Depreciation of Ijarah Assets | (19,713,320) | (16,803,867) |
| Operating Profit | <u>5,196,470</u> | <u>3,952,262</u> |
| Other Income | 435,985 | 684,070 |
| Reversal of / (provision) for doubtful receivable | - | (772,282) |
| Profit before Management Fee | 5,632,455 | 3,864,050 |
| Management fee | (563,246) | (386,405) |
| Sales tax on Management fee | (73,222) | (50,233) |
| Profit before taxation | 4,995,988 | 3,427,412 |
| Taxation | - | - |
| Profit after taxation | 4,995,988 | 3,427,412 |
| Earning per certificate - basic & diluted | 0.50 | 0.34 |

Review of Operations:

The Modaraba has been able to achieve Income of Rs.29.448 million as of March 31, 2021 which has increased by 19.30% as compared to the income of corresponding period of the last year. The total expenses amounted to Rs.24.251 million as compared to Rs.20.731 million as of March 2020. The depreciation expenses increase due to increase in Ijarah Financing. The profit after tax during the period under review amounted to Rs.4.995 million which has increased by 45.765% as compared to the profit of corresponding period of the last year. The EPC also accordingly increased from Re.0.34 to Re.0.50. 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 23, 2021
Karachi.



Popular Islamic Modaraba

An Islamic Financial Institution

ذمہ داری رپورٹ برائے سرمایہ 31 مارچ 2021

یہ رپورٹ اسلامیہ منڈی کے تحت (پابلیک) طور پر جاری کی گئی ہے۔ اس رپورٹ میں پیش کردہ تمام اعداد و شمار اور دیگر معلومات درست اور صحیح ہیں۔

نمایاں مالیاتی نتائج:

| 2021 برائے مارچ | 2020 برائے مارچ | |
|-----------------|-----------------|--|
| 29,448,173 | 24,683,727 | آمدنی |
| (4,538,383) | (3,927,598) | آپریٹنگ اخراجات |
| (19,713,320) | (16,803,867) | چار ہفتوں کی فیسوں کے اخراجات (نہی فی اسٹیٹ) |
| 5,196,470 | 3,952,262 | آپریٹنگ منافع |
| 435,985 | 684,070 | دیگر منافع |
| | (772,282) | مراستہ ٹرانسنگ کا پروویژن |
| 5,632,455 | 3,864,050 | منافع قبل از منجمنٹ فیس |
| (563,246) | (386,405) | منجمنٹ فیس |
| (73,222) | (50,233) | منجمنٹ فیس پر ٹیکس |
| 4,995,988 | 3,427,412 | منافع قبل از ٹیکس |
| | | ٹیکس |
| 4,995,988 | 3,427,412 | منافع بعد از ٹیکس |
| 0.50 | 0.34 | آمدنی فی سرٹیفکیٹ |

کاروبار کا جائزہ

اس سرمایہ کی آمدنی 29,448,173 روپے ہی ہو کر 2020 کے مقابلے میں 24,683,727 روپے تھی۔ اس سرمایہ کی آمدنی 2020 کے مقابلے میں 19.30 فی صد اضافہ ہے۔ منجمنٹ فیس کی آمدنی 4,995,988 روپے ہو کر 2020 کے مقابلے میں 5,632,455 روپے ہو گئی ہے۔ اس اضافے کی وجہ سے منجمنٹ فیس کی آمدنی میں اضافہ ہوا ہے۔ اس اضافے کی وجہ سے منجمنٹ فیس کی آمدنی میں اضافہ ہوا ہے۔ اس اضافے کی وجہ سے منجمنٹ فیس کی آمدنی میں اضافہ ہوا ہے۔

مشغول کاری کا جائزہ:

منڈی کی کاروباری سرگرمیوں کے کاروبار پر مرکوز ہے۔ اپنے کاروبار کے لیے اس کا زیادہ سے زیادہ زور استعمال کر کے اپنی کاروباری سرگرمیوں کو بڑھانے کی کوشش کر رہا ہے۔ اس کے علاوہ منڈی نے اپنے کاروبار کو بڑھانے کی کوشش کر رہی ہے۔ اس کے علاوہ منڈی نے اپنے کاروبار کو بڑھانے کی کوشش کر رہی ہے۔

مزید:

یہ رپورٹ منڈی کے کاروبار پر مشتمل ہے۔ منڈی کے کاروبار پر مشتمل ہے۔ منڈی کے کاروبار پر مشتمل ہے۔ منڈی کے کاروبار پر مشتمل ہے۔ منڈی کے کاروبار پر مشتمل ہے۔

منڈی کی طرف سے

محمد ریاض

چیف ایگزیکٹو

23 اپریل 2021



Popular Islamic Modaraba


An Islamic Financial Institution

BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2021

| | Un-Audited Mar-21 | Audited Jun-20 |
|--|----------------------|--------------------|
| <i>(RUPEES)</i> | | |
| ASSETS | | |
| NON CURRENT ASSETS | | |
| Property and equipment - owned | 89,317 | 37,844 |
| Property and equipment - ijarah | 29,690,562 | 48,812,639 |
| Long Term Morabaha Finance | 1,449,310 | 1,449,310 |
| Long Term Investment-Diminishing Musharaka | 42,508,486 | 44,454,026 |
| | 73,737,675 | 94,753,819 |
| CURRENT ASSETS | | |
| Short term morabaha finance | 38,565,831 | 22,703,821 |
| Short term musharaka finance | - | - |
| Current portion of Diminishing Musharakah | 8,764,379 | 5,009,086 |
| Advances and other receivables | 6,991,993 | 4,953,794 |
| Cash and bank balances | 4,542,582 | 4,536,119 |
| | 58,864,785 | 37,202,820 |
| TOTAL ASSETS | 132,602,460 | 131,956,639 |
| EQUITY AND LIABILITIES | | |
| Authorized certificate capital | | |
| 14,000,000 (2020: 14,000,000) modaraba | 140,000,000 | 140,000,000 |
| Certificate holders' equity | | |
| Certificate capital | 100,000,000 | 100,000,000 |
| Statutory reserve | 19,863,189 | 19,863,189 |
| Accumulated (loss)/profit | (30,778,271) | (31,739,259) |
| | 89,084,918 | 88,123,930 |
| NON-CURRENT LIABILITIES | | |
| Security deposits against Ijarah | 3,184,570 | 2,902,510 |
| Deferred liability | 1,104,590 | 1,023,222 |
| | 4,289,160 | 3,925,732 |
| CURRENT LIABILITIES | | |
| Accrued and other liabilities | 860,239 | 956,425 |
| Current portion of security deposits | 6,744,850 | 9,561,120 |
| Provision for taxation | 14,980 | 14,980 |
| Unclaimed profit distribution | 2,963,728 | 1,366,335 |
| Payable to management company | 28,000,000 | 28,000,000 |
| Management fee payable | 571,363 | 8,117 |
| Sales Tax payable | 73,222 | - |
| TOTAL LIABILITIES | 39,228,382 | 39,906,977 |
| CONTINGENCIES & COMMITMENTS | - | - |
| | 132,602,460 | 131,956,639 |

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR



Popular Islamic Modaraba

An Islamic Financial Institution

PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND THREE MONTHS ENDED MARCH 31, 2021

| | Nine months ended | | Three months ended | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Mar-21 (Rupees) | Mar-20 (Rupees) | Mar-21 (Rupees) | Mar-20 (Rupees) |
| Income | 29,448,173 | 24,683,727 | 8,223,820 | 8,696,688 |
| Operating expenses | (4,538,383) | (3,927,598) | (1,651,359) | (1,193,899) |
| Depreciation of Ijarah Assets | (19,713,320) | (16,803,867) | (6,009,203) | (6,194,150) |
| Operating profit | 5,196,470 | 3,952,262 | 563,258 | 1,308,639 |
| Other Income | 435,985 | 684,070 | 111,365 | 152,533 |
| (Provision)/reversal for doubtful receivables | - | (772,282) | - | - |
| Profit before management fee | 5,632,455 | 3,864,050 | 674,623 | 1,461,172 |
| Management fee | (563,246) | (386,405) | (67,462) | (146,117) |
| Sales tax on management fee | (73,222) | (50,233) | (8,770) | (18,995) |
| Provision for worker's welfare fund | - | - | - | - |
| Profit before taxation | 4,995,988 | 3,427,412 | 598,391 | 1,296,060 |
| Taxation | - | - | - | - |
| Profit after taxation | 4,995,988 | 3,427,412 | 598,391 | 1,296,060 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | 4,995,988 | 3,427,412 | 598,391 | 1,296,060 |
| Earnings per certificate - basic & diluted | 0.50 | 0.34 | 0.06 | 0.13 |

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



Popular Islamic Modaraba

An Islamic Financial Institution

CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

| | Un-Audited Mar-21 | Un-Audited Mar-20 |
|--|----------------------|----------------------|
| | (RUPEES) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 4,995,988 | 3,427,412 |
| Adjustments for: | | |
| Depreciation expense | 12,527 | 4,963 |
| Depreciation of assets leased out under ijarah | 19,713,320 | 15,706,127 |
| | <u>19,725,847</u> | <u>15,711,090</u> |
| Operating profit before working capital changes | 24,721,835 | 19,138,502 |
| Decrease / (Increase) in current assets | | |
| Current portion of morabaha finance | (15,862,010) | 256,242 |
| Current portion of long term investment D.M | (3,755,293) | 588,742 |
| Advances and other receivables | (2,038,199) | 394,414 |
| | <u>(21,655,502)</u> | <u>1,239,398</u> |
| Increase/(decrease) in current liabilities | | |
| Accrued and other liabilities | (96,186) | (86,438) |
| Management fee payable | 563,246 | (172,010) |
| Sales tax on management fee | 73,222 | (22,361) |
| | <u>540,282</u> | <u>(280,809)</u> |
| Cash generated from operations | 3,606,614 | 20,097,091 |
| Tax paid | | |
| Dividend paid | (2,442,213) | (2,383,416) |
| Net Cash generated from operations | <u>1,164,402</u> | <u>17,713,675</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets- ijarah | (4,214,000) | (27,027,000) |
| Ijarah assets transfer-net | 3,708,731 | 2,173,987 |
| Owned assets purchased | (64,000) | (30,825) |
| Security deposit from ijarah | (2,534,210) | 2,110,900 |
| Investment in murabaha finance | - | 772,282 |
| Investment in diminishing musharakah | 1,945,540 | 1,462,496 |
| Net cash (used in) investing activities | <u>(1,157,939)</u> | <u>(20,538,160)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| | | |
| Net increase/(decrease) in cash & cash equivalent | <u>6,463</u> | <u>(2,824,485)</u> |
| Cash and cash equivalents at the beginning of the year | 4,536,119 | 14,205,853 |
| Cash and cash equivalents at the end of the year | <u>4,542,582</u> | <u>11,381,369</u> |

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR



Popular Islamic Modaraba

An Islamic Financial Institution

CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

| | Un-Audited Mar-21 | Un-Audited Mar-20 |
|--|----------------------|----------------------|
| | (RUPEES) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 4,995,988 | 3,427,412 |
| Adjustments for: | | |
| Depreciation expense | 12,527 | 4,963 |
| Depreciation of assets leased out under ijarah | 19,713,320 | 15,706,127 |
| | 19,725,847 | 15,711,090 |
| Operating profit before working capital changes | 24,721,835 | 19,138,502 |
| Decrease / (Increase) in current assets | | |
| Current portion of morabaha finance | (15,862,010) | 256,242 |
| Current portion of long term investment D.M | (3,755,293) | 588,742 |
| Advances and other receivables | (2,038,199) | 394,414 |
| | (21,655,502) | 1,239,398 |
| Increase/(decrease) in current liabilities | | |
| Accrued and other liabilities | (96,186) | (86,438) |
| Management fee payable | 563,246 | (172,010) |
| Sales tax on management fee | 73,222 | (22,361) |
| | 540,282 | (280,809) |
| Cash generated from operations | 3,606,614 | 20,097,091 |
| Tax paid | | |
| Dividend paid | (2,442,213) | (2,383,416) |
| Net Cash generated from operations | 1,164,402 | 17,713,675 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets- ijarah | (4,214,000) | (27,027,000) |
| Ijarah assets transfer-net | 3,708,731 | 2,173,987 |
| Owned assets purchased | (64,000) | (30,825) |
| Security deposit from ijarah | (2,534,210) | 2,110,900 |
| Investment in murabaha finance | - | 772,282 |
| Investment in diminishing musharakah | 1,945,540 | 1,462,496 |
| Net cash (used in) investing activities | (1,157,939) | (20,538,160) |
| CASH FLOW FROM FINANCING ACTIVITIES | - | - |
| Net increase/(decrease) in cash & cash equivalent | 6,463 | (2,824,485) |
| Cash and cash equivalents at the beginning of the year | 4,536,119 | 14,205,853 |
| Cash and cash equivalents at the end of the year | 4,542,582 | 11,381,369 |

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



Popular Islamic Modaraba

An Islamic Financial Institution

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

| | Certificate Capital | Statutory Reserve | Accumulated profit | Total |
|-------------------------------------|------------------------|----------------------|-----------------------|--------------------|
| ----- (Rupees) ----- | | | | |
| Balance as at June 30, 2019 | 100,000,000 | 18,754,553 | (32,693,805) | 86,060,748 |
| Profit for the Year | - | - | 5,543,182 | 5,543,182 |
| Dividend on profit | - | - | (3,480,000) | (3,480,000) |
| Transferred to statutory reserve | - | 1,108,636 | (1,108,636) | - |
| Balance as at June 30, 2020 | 100,000,000 | 19,863,189 | (31,739,259) | 88,123,930 |
| Profit for the Period | - | - | 4,995,988 | 4,995,988 |
| Dividend on profit | - | - | (4,035,000) | - |
| Transferred to statutory reserve | - | - | - | - |
| Balance as at March 31, 2021 | 100,000,000 | 19,863,189 | (30,778,271) | 93,119,918 |

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR



Popular Islamic Modaraba

An Islamic Financial Institution

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

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, 2020.

5. PROPERTY & EQUIPMENTS - (OWNED)

Cost
Less: Accumulated Depreciation

March 31,
2021 Audited June
30,2020
(Rupees)

185,975 121,975
(96,658) (84,131)
89,317 37,844

6. PROPERTY & EQUIPMENTS - (IJARAH)

Cost
Addition
Disposals (WDV)
Less: Accumulated Depreciation

86,249,300 42,075,822
4,214,000 44,173,478
(28,781,200) (1,000,000)
(31,991,538) (36,436,661)
29,690,562 48,812,639

7. CONTINGENCIES & COMMITMENTS

Contingencies and commitments are those as disclosed in the audited financial statements for the year ended June 30, 2020.

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

563,246

-

563,246

-

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