



Popular Islamic Modaraba
An Islamic Financial Institution

Quarterly Financial Information
March 31, 2022
(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, 2022.

The summarized financial results for the Quarter ended March 31, 2022 are as under:

	Mar-22	Mar-21
	------(Rupees)-----	
Income	15,894,659	29,448,173
Operating expenses	(4,918,735)	(4,538,383)
Depreciation of Ijarah Assets	(6,091,763)	(19,713,320)
Operating Profit	<u>4,884,161</u>	<u>5,196,470</u>
Other Income	454,928	435,985
Reversal of / (provision) for doubtful receivable	-	-
Profit before Management Fee	5,339,090	5,632,455
Management fee	(266,955)	(563,246)
Sales tax on Management fee	(34,704)	(73,222)
Profit before taxation	5,037,431	4,995,988
Taxation	-	-
Profit after taxation	5,037,431	4,995,988
Earning per certificate - basic & diluted	0.36	0.50

Review of Operations:

The Modaraba has been able to achieve Income of Rs.15.894 million as of March 31, 2022 which has decreased by 46.02% as compared to the income of corresponding period of the last year due to shifting of portfolio from Ijarah to Diminishing Musharakah. The total expenses amounted to Rs.11.010 million as compared to Rs.24.251 million as of March 2021. The profit after tax during the period under review amounted to Rs.5.037 million which has increased by 0.82% as compared to the profit of corresponding period of the last year. The EPC worked out at Re. 0.36 per certificate. The decrease in EPC is due to increase in Paidup Capital from 10 million to 14 million Certificate. 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 22, 2022
Karachi.



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ڈائریکٹرز کی رپورٹ ہمارے سرمایہ 31 مارچ 2022

پاپولر اسلامک مڈاربا پیپلز سٹیٹ بینک (پے ایچ او) لیجنڈ جو پاپولر اسلامک مڈاربا کی پبلسٹیٹی کمیٹی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو پرمٹ ڈائریکٹرز کی رپورٹ ہمارے سرمایہ 31 مارچ 2022 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

ہمارے سرمایہ 2022	ہمارے سرمایہ 2021	
----- (روپے) -----		
15,894,659	29,448,173	آمدنی
(4,918,735)	(4,538,383)	آپریٹنگ اخراجات
(6,091,763)	(19,713,320)	اجارہ ٹائٹل کی فرسودگی کے اخراجات (ڈیپریسی ایشن)
4,884,161	5,196,470	آپریٹنگ منافع
454,928	435,985	دیگر منافع
-	-	مراستہ منافع کا پروویژن
5,339,089	5,632,455	منافع قبل از منجمنٹ فیس
(266,954)	(563,246)	منجمنٹ فیس
(34,704)	(73,222)	منجمنٹ فیس پر ٹیکس
5,037,431	4,995,988	منافع قبل از ٹیکس
-	-	ٹیکس
5,037,431	4,995,988	منافع بعد از ٹیکس
0.36	0.50	آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ

اس سرمایہ کی آمدنی 15,894 ملین روپے پر رہی جو کہ گزشتہ سال مارچ 2021 کے مقابلے میں 46.03 فی صد کم ہے۔ پچھلے سال کی آمدنی 29,448 ملین روپے تھی۔ اس کی وجہ اجارہ پورٹ فولیو سے ڈیفینڈنگ مٹا کر میں منتقلی ہے۔ بعد از ٹیکس منافع 5,037 ملین روپے رہا جو کہ گزشتہ سال مارچ 2021 کے مقابلے میں 0.82 فی صد زیادہ ہے۔ اس طرح آمدنی فی سرٹیفکیٹ میں کمی ہوئی ہے مگر منافع پر ٹیکس کی کمی سے چودہ فیصد میں سے چودہ فیصد میں کمی ہوئی ہے۔ زیر جائزہ مدت کے دوران مڈاربا نے مسابقتی شرح منافع پر اجارہ اور ڈیفینڈنگ مٹا کر میں سرمایہ کاری کی ہے جس سے مستقبل قریب میں مڈاربا کی آمدنی اور زرخاز (ریزرو) میں اضافہ ہوگا۔

مستقبل کے امکانات:

مڈاربا کی آئندہ فنانسنگ کے کاروبار پر مرکوز ہے۔ اپنے وسائل کا زیادہ سے زیادہ اور موثر استعمال کر کے آہستہ آہستہ پیچھے معیار کے ٹائٹل کا پورٹ فولیو بنانا تاکہ اپنی منجمنٹ شیٹ کو بہتر بنایا جاسکے۔ اب ہم ترقی کی طرف گامزن ہیں اور اللہ تبارک و تعالیٰ کی طرف سے اس سفر کو جاری رکھیں گے۔ ہمارا مقصد اجارہ میں سرمایہ کاری کے حجم میں اضافہ ہے تاکہ ہم اپنے مطلوبہ منافع کا ہدف کو حاصل کر سکیں۔

اعتراف:

زیر جائزہ مدت کے دوران مڈاربا مہلور ہے رجسٹرڈ مڈاربا، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی رہنمائی اور اسٹاف کے تعاون کا اور مستقبل میں بھی اس کی امید رکھتا ہے۔

منجانب بورڈ

محمد ریاض

چیف ایگزیکٹو

22 اپریل 2022



Popular Islamic Modaraba

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BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2022

Un-Audited
Mar-22
Audited
Jun-21
(RUPEES)

ASSETS

NON CURRENT ASSETS

Property and equipment - owned	180,140	80,689
Property and equipment - ijarah	25,345,871	22,559,434
Long Term Investment-Diminishing Musharaka	38,230,547	36,313,699
	63,756,558	58,953,822

CURRENT ASSETS

Short term morabaha finance	44,825,972	38,831,773
Current portion of Diminishing Musharakah	11,998,874	13,479,037
Advances and other receivables	3,548,649	10,289,573
Cash and bank balances	17,489,515	7,948,500
	77,863,010	70,548,883

TOTAL ASSETS

141,619,568 129,502,705

EQUITY AND LIABILITIES

Authorized certificate capital

14,000,000 (2021: 14,000,000) modaraba

140,000,000 140,000,000

Certificate holders' equity

Certificate capital

140,000,000 100,000,000

Statutory reserve

21,381,181 21,381,181

Accumulated (loss)/profit

(30,312,460) (29,702,292)

131,068,721 91,678,889

NON-CURRENT LIABILITIES

Security deposits against Ijarah

4,041,100 2,684,900

Deferred liability

1,251,112 1,401,130

5,292,212 4,086,030

CURRENT LIABILITIES

Accrued and other liabilities

119,546 1,303,478

Current portion of security deposits

933,250 2,273,050

Provision for taxation

14,980 14,980

Unclaimed profit distribution

3,889,201 1,674,373

Payable to management company

- 28,000,000

Management fee payable

266,954 418,549

Sales Tax payable

34,704 53,356

TOTAL LIABILITIES

5,258,635 33,737,786

CONTINGENCIES & COMMITMENTS

- -

141,619,568 129,502,705

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 NINE MONTHS PERIOD AND THREE MONTHS ENDED MARCH 31, 2022

	Nine months ended		Three months ended	
	Mar-22 (Rupees)	Mar-21 (Rupees)	Mar-22 (Rupees)	Mar-21 (Rupees)
Income	15,894,659	29,448,173	5,757,405	8,223,820
Operating expenses	(4,918,735)	(4,538,383)	(1,498,121)	(1,651,359)
Depreciation of Ijarah Assets	(6,091,763)	(19,713,320)	(2,247,107)	(6,009,203)
Operating profit	4,884,161	5,196,470	2,012,177	563,258
Other Income	454,928	435,985	127,166	111,365
(Provision)/reversal for doubtful receivables	-	-	-	-
Profit before management fee	5,339,089	5,632,455	2,139,343	674,623
Management fee	(266,954)	(563,246)	(106,967)	(67,462)
Sales tax on management fee	(34,704)	(73,222)	(13,906)	(8,770)
	(301,658)	(636,468)	(120,873)	(76,232)
Profit before taxation	5,037,431	4,995,987	2,018,470	598,391
Taxation	-	-	-	-
Profit after taxation	5,037,431	4,995,987	2,018,470	598,391
Other comprehensive income	-	-	-	-
Total comprehensive income	5,037,431	4,995,987	2,018,470	598,391
Earnings per certificate - basic & diluted	0.36	0.50	0.14	0.06

For Popular Islamic Modaraba Management Company (Private) Limited
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DIRECTOR

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CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Un-Audited Mar-22	Un-Audited Mar-21
	(RUPEES)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,037,432	4,995,988
Adjustments for:		
Depreciation expense	44,409	12,527
Depreciation of assets leased out under ijarah	6,302,618	19,713,320
	6,347,027	19,725,847
Operating profit before working capital changes	11,384,459	24,721,835
Decrease / (Increase) in current assets		
Current portion of morabaha finance	(5,994,199)	(15,862,010)
Current portion of long term investment D.M	1,480,163	(3,755,293)
Advances and other receivables	6,740,924	(2,038,199)
	2,226,888	(21,655,502)
Increase/(decrease) in current liabilities		
Accrued and other liabilities	(1,183,932)	(96,186)
Management fee payable	(151,595)	563,246
Sales tax on management fee	(18,652)	73,222
	(1,354,179)	540,282
Cash generated from operations	12,257,168	3,606,615
Gratuity paid	(150,018)	-
Net Cash generated from operations	12,107,150	3,606,615
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets- ijarah	(10,218,000)	(4,214,000)
Ijarah assets transfer-net	7,361,487	3,708,731
Owned assets purchased	(143,860)	(64,000)
Security deposit from ijarah	16,400	(2,534,210)
Investment in murabaha finance	(5,994,199)	-
Investment in diminishing musharakah	(1,916,848)	1,945,540
Net cash (used in) investing activities	(10,895,020)	(1,157,939)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Certificate Capital (additional cash)	12,000,000	-
Dividend Paid	(3,671,116)	(2,442,213)
Net cash generated from/(used in) financing activities	8,328,884	(2,442,213)
Net increase/(decrease) in cash & cash equivalent	9,541,015	6,463
Cash and cash equivalents at the beginning of the year	7,948,500	4,536,119
Cash and cash equivalents at the end of the year	17,489,515	4,542,583

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STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Certificate Capital	Statutory Reserve	Accumulated profit	Total
	----- (Rupees) -----			
Balance as at June 30, 2020	100,000,000	19,863,189	(31,739,259)	88,123,930
Profit for the Year	-	-	7,589,959	7,589,959
Dividend on profit	-	-	(4,035,000)	(4,035,000)
Transferred to statutory reserve	-	1,517,992	(1,517,992)	-
Balance as at June 30, 2021	100,000,000	21,381,181	(29,702,292)	91,678,889
Profit for the Period	-	-	5,037,432	5,037,432
Additional in paidup capital	40,000,000	-	-	40,000,000
Transferred to statutory reserve	-	-	-	-
Dividend on profit	-	-	(5,647,600)	(5,647,600)
Balance as at March 31, 2022	140,000,000	21,381,181	(30,312,460)	131,068,721

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, 2022

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, Diminishing Musharakah. Further, Trading in Listed Securities and other Commodities are also under consideration for future.

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, 2021.

5. PROPERTY & EQUIPMENTS - (OWNED)

	Unaudited March 31, 2022	Audited June 30, 2021
Cost	329,835	185,975
Less: Accumulated Depreciation	(149,695)	(105,286)
	<u>180,140</u>	<u>80,689</u>

6. PROPERTY & EQUIPMENTS - (IJARAH)

	Unaudited March 31, 2022	Audited June 30, 2021
Cost	42,678,000	86,249,300
Addition	10,218,000	8,479,500
Disposals (WDV)	(11,899,000)	(52,050,800)
Less: Accumulated Depreciation	(15,651,129)	(20,118,566)
	<u>25,345,871</u>	<u>22,559,434</u>

7. CONTINGENCIES & COMMITMENTS

Contingencies and commitments are those as disclosed in the audited financial statements for the year ended June 30, 2021.

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	266,954	410,432
		<u>266,954</u>	<u>410,432</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