



**Popular Islamic Modaraba**  
An Islamic Financial Institution

**Quarterly Financial Information**  
**March 31, 2023**  
**(Un-Audited)**

**Managed By:**

Popular Islamic Modaraba  
Management Company (Private) Limited



# Popular Islamic Modaraba

An Islamic Financial Institution

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# Popular Islamic Modaraba

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## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Imamuddin Shouqeen Mr. Shahbaz Ali Malik Mr. Khurram Abdullah Mr. Malik Junaid Emam Mr. Kamran Hussain Mughal Ms. Aisha Mughal	- Chairman - Managing Director - Independent Director - Director - Director & Chief Executive - Director & Company Secretary
<b>AUDIT COMMITTEE</b>	Mr. Khurram Abdullah Mr. Shahbaz Ali Malik Mr. Malik Junaid Emam	- Chairman - Member - Member
<b>HR COMMITTEE</b>	Mr. Khurram Abdullah Mr. Malik Junaid Emam Mr. Kamran Hussain Mughal	- Chairman - Member - Member
<b>SHARIAH ADVISOR</b>	Al-Hamd Shariah Advisory Services (Pvt.) Limited	
<b>COMPANY SECRETARY</b>	Ms. Aisha Mughal	
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Shoaib Shaikh	
<b>BANKERS</b>	Albaraka Bank (Pakistan) Limited Meezan Bank Limited	
<b>AUDITORS</b>	BKR International Muniff Ziauddin & Co. Chartered Accountant	
<b>LEGAL ADVISOR</b>	Syed Sikandar Ali Shah - Advocate M/s. Shah Associates	
<b>MANAGEMENT COMPANY</b>	Popular Islamic Modaraba Management Company (Pvt.) Ltd	
<b>REGISTERED OFFICE</b>	15th Floor, Hasrat Mohani Road, Off. I.I.Chundrigar Road, Karachi.	
<b>SHARE REGISTRAR</b>	Central Depository Company of Pakistan CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi	



# Popular Islamic Modaraba

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### 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, 2023.

The summarized financial results for the Quarter ended March 31, 2023 are as under:

	Mar-23	Mar-22
	------(Rupees)-----	
Income	19,636,932	15,894,659
Operating expenses	(6,272,014)	(4,918,735)
Depreciation of Ijarah Assets	(7,246,626)	(6,091,763)
Operating Profit	<u>6,118,292</u>	<u>4,884,161</u>
Other Income	1,199,277	454,928
<b>Profit before Management Fee</b>	<b>7,317,569</b>	<b>5,339,089</b>
Management fee	(365,878)	(266,954)
Sales tax on Management fee	(47,564)	(34,704)
<b>Profit before taxation</b>	<b>6,904,126</b>	<b>5,037,431</b>
Taxation	(1,173,701)	-
<b>Profit after taxation</b>	<b>5,730,425</b>	<b>5,037,431</b>
<b>Earning per certificate - basic &amp; diluted</b>	<b>0.41</b>	<b>0.36</b>

#### Review of Operations:

The Modaraba has been able to achieve Income of Rs.19.636 million as of March 31, 2023 which has increased by 23.54% as compared to the income of corresponding period of the last year. The total expenses amounted to Rs. 13.518 million as compared to Rs. 11.010 million as of March 2022. The profit after tax during the period under review amounted to Rs.5.730 million which has increased by 13.76% as compared to the profit of corresponding period of the last year. The EPC worked out at Re. 0.41 per 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, Securities and Exchange Commission of Pakistan, NBFBI and Modaraba Association of Pakistan during the period under review, and wishes to enjoy the same in future as well.

For and on behalf of the Board

**Kamran Hussain Mughal**  
**Director & Chief Executive Officer**

Dated: April 14, 2023  
Karachi.



# Popular Islamic Modaraba

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ڈائریکٹری کی رپورٹ برائے سرمایہ 31 مارچ 2023

پاپولر اسلامک مشارکہ پیپٹریف کٹیف (پرائیویٹ) لمیٹڈ جو پاپولر اسلامک مشارکہ کی ایجنسی کٹیف ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو پوسٹ ڈائریکٹری رپورٹ برائے سرمایہ 31 مارچ 2023 پیش کرتے ہیں۔

تملیاں ایاتی نتائج:

برائے مارچ 2022	برائے مارچ 2023	
		آمدنی
		آپریٹنگ اخراجات
		اجارہ ٹاؤن کی فرسودگی کے اخراجات (ڈیپریسی ایشن)
		آپریٹنگ منافع
		دیگر منافع
		منافع قبل از منجمنٹ فیس
		منجمنٹ فیس
		منجمنٹ فیس پر ٹیکس
		منافع قبل از ٹیکس
		ٹیکس
		منافع بعد از ٹیکس
		آمدنی فی سرٹیفکیٹ
		کاروبار کا جائزہ

برائے مارچ 2022	برائے مارچ 2023
15,894,659	19,636,932
(4,918,735)	(6,272,014)
(6,091,763)	(7,246,626)
<b>4,884,161</b>	<b>6,118,292</b>
454,928	1,199,277
<b>5,339,089</b>	<b>7,317,569</b>
(266,954)	(365,878)
(34,704)	(47,564)
<b>5,037,431</b>	<b>6,904,126</b>
-	(1,173,701)
<b>5,037,431</b>	<b>5,730,425</b>
<b>0.36</b>	<b>0.41</b>

اس سرمایہ کی آمدنی 19,636 ملین روپے رہی جو گزشتہ سال مارچ 2022 کے مقابلے میں 23.54 فی صد زیادہ ہے۔ پچھلے سال کی آمدنی 15,894 ملین روپے تھی۔ بعد از ٹیکس منافع 5,730 ملین روپے رہا جو گزشتہ سال مارچ 2022 کے مقابلے میں 0.41 فی صد زیادہ ہے۔ اس طرح آمدنی فی سرٹیفکیٹ 0.41 روپے کا رہا۔ زبرد جائزہ مدت کے دوران مشارکہ نے مسابقتی شرح منافع پر اجارہ اور ڈیٹیفیکٹ مشارکہ میں سرمایہ کاری کی ہے جس سے مستقبل قریب میں مشارکہ کی آمدنی اور زائد (ریورس) میں اضافہ ہوگا۔

مستقبل کے امکانات:

مشارکہ کی آؤٹ ٹرانسنگ کے کاروبار پر مرکوز ہے۔ اپنے وسائل کا زیادہ سے زیادہ اور دوش استعمال کر کے آہستہ آہستہ معیار کے اثاثوں کا پورٹ فولیو بنانا تاکہ اپنی پینٹس شیئرز کو بہتر بنایا جاسکے۔ اب ہم ترقی کی طرف گامزن ہیں اور اللہ تعالیٰ کے اس سز 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:

زبرد جائزہ مدت کے دوران مشارکہ پر منظور ہے رجسٹرڈ مشارکہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، این بی ایف آئی اینڈ مشارکہ پیپٹریف کٹیف کی رہنمائی اور اسٹاف کے تعاون کا اور مستقبل میں بھی اس کی امید رکھتا ہے۔

منجانب بورڈ



کامران حسین علی

ڈائریکٹر اینڈ چیف ایگزیکٹو

14 اپریل 2023



# Popular Islamic Modaraba

## An Islamic Financial Institution

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
AS AT MARCH 31, 2023

	Un-Audited Mar-22	Audited Jun-22
<b>(RUPEES)</b>		
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property and equipment - owned	105,512	161,219
Property and equipment - ijarah	29,155,829	25,868,708
Long Term Investment-Diminishing Musharaka	37,742,485	38,534,981
	67,003,826	64,564,908
<b>CURRENT ASSETS</b>		
Short term morabaha finance	33,407,768	56,048,654
Current portion of Diminishing Musharakah	18,930,713	18,990,347
Advances and other receivables	5,618,918	9,903,370
Cash and bank balances	31,113,853	2,579,156
	89,071,252	87,521,527
<b>TOTAL ASSETS</b>	<b>156,075,078</b>	<b>152,086,435</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Authorized certificate capital</b>		
14,000,000 (2021: 14,000,000) modaraba	140,000,000	140,000,000
<b>Certificate holders' equity</b>		
Certificate capital	140,000,000	100,000,000
Statutory reserve	22,691,427	22,691,427
Accumulated (loss)/profit	(29,620,085)	(30,108,910)
	133,071,342	92,582,517
<b>NON-CURRENT LIABILITIES</b>		
Security deposits against Ijarah	5,873,400	4,986,900
Deferred liability	1,666,110	1,666,110
	7,539,510	6,653,010
<b>CURRENT LIABILITIES</b>		
Accrued and other liabilities	2,299,009	1,111,570
Current portion of security deposits	2,468,350	991,450
Provision for taxation	952,241	1,384,260
Unclaimed profit distribution	1,993,196	2,025,641
Payable to management company	7,000,000	7,000,000
Management fee payable	648,185	282,307
Sales Tax payable	103,244	55,680
<b>TOTAL LIABILITIES</b>	<b>15,464,226</b>	<b>12,850,908</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>	-	-
	<b>156,075,078</b>	<b>112,086,435</b>

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR





# Popular Islamic Modaraba

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### CONDENSED INTERIM PROFIT OR LOSS COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND THREE MONTHS ENDED MARCH 31, 2023

	Nine months ended		Three months ended	
	Mar-23 (Rupees)	Mar-22 (Rupees)	Mar-23 (Rupees)	Mar-22 (Rupees)
Income	19,636,932	15,894,659	5,730,926	5,757,405
Operating expenses	(6,272,014)	(4,918,735)	(2,176,919)	(1,498,121)
Depreciation of Ijarah Assets	(7,246,626)	(6,091,763)	(2,607,360)	(2,247,107)
Operating profit	6,118,292	4,884,161	946,647	2,012,177
Other Income	1,199,277	454,928	589,935	127,166
Profit before management fee	7,317,569	5,339,089	1,536,582	2,139,343
Management fee	(365,878)	(266,954)	(76,829)	(106,967)
Sales tax on management fee	(47,564)	(34,704)	(9,988)	(13,906)
	(413,442)	(301,658)	(86,817)	(120,873)
Profit before taxation	6,904,127	5,037,431	1,449,765	2,018,470
Taxation	(1,173,702)	-	(246,460)	-
Profit after taxation	5,730,425	5,037,431	1,203,306	2,018,470
Other comprehensive income	-	-	-	-
Total comprehensive income	5,730,425	5,037,431	1,203,306	2,018,470
Earnings per certificate - basic & diluted	0.41	0.36	0.09	0.14

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



# Popular Islamic Modaraba

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### CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023


	Un-Audited Mar-23	Un-Audited Mar-22
	(RUPEES)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	6,904,126	5,037,432
<b>Adjustments for:</b>		
Depreciation expense	55,707	44,409
Depreciation of assets leased out under ijarah	7,246,626	6,302,618
Gain on termination	(551,755)	-
	<u>6,750,578</u>	<u>6,347,027</u>
Operating profit before working capital changes	13,654,704	11,384,459
<b>Decrease / (Increase) in current assets</b>		
Current portion of morabaha finance	22,640,886	(5,994,199)
Current portion of long term investment D.M	59,634	1,480,163
Advances and other receivables	4,284,452	6,740,924
	<u>26,984,972</u>	<u>2,226,888</u>
<b>Increase/(decrease) in current liabilities</b>		
Accrued and other liabilities	702,814	(1,183,932)
Management fee payable	365,876	(151,595)
Sales tax on management fee	47,564	(18,652)
	<u>1,116,254</u>	<u>(1,354,179)</u>
<b>Cash generated from operations</b>	41,755,930	12,257,168
Gratuity paid	-	(150,018)
<b>Net Cash generated from operations</b>	41,755,930	12,107,150
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets- ijarah	18,896,530	(10,218,000)
Ijarah assets transfer-net	(3,149,000)	7,361,487
Owned assets purchased	-	(143,860)
Security deposit from ijarah	(2,363,400)	16,400
Investment in murabaha finance	(22,640,886)	(5,994,199)
Investment in diminishing musharakah	792,496	(1,916,848)
Net cash (used in) investing activities	(8,464,260)	(10,895,020)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Certificate Capital (additional cash)	-	12,000,000
Dividend Paid	(4,756,975)	(3,671,116)
Net cash (used in) / generated from financing activities	(4,756,975)	8,328,884
<b>Net increase in cash &amp; cash equivalent</b>	28,534,696	9,541,015
Cash and cash equivalents at the beginning of the year	2,579,156	7,948,500
<b>Cash and cash equivalents at the end of the year</b>	<u>31,113,853</u>	<u>17,489,516</u>

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

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR





# Popular Islamic Modaraba

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## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Certificate Capital	Statutory Reserve	Accumulated profit	Total
	----- (Rupees) -----			
<b>Balance as at June 30, 2021</b>	100,000,000	21,381,181	(29,702,292)	<b>91,678,889</b>
Profit for the Year	-	-	6,551,228	<b>6,551,228</b>
Dividend on profit	40,000,000	-	-	<b>40,000,000</b>
Transferred to statutory reserve	-	-	(5,647,600)	<b>(5,647,600)</b>
	-	1,310,246	(1,310,246)	-
<b>Balance as at June 30, 2022</b>	<b>140,000,000</b>	<b>22,691,427</b>	<b>(30,108,910)</b>	<b>132,582,517</b>
Profit for the Period	-	-	5,730,425	<b>5,730,425</b>
Additional in paidup capital	-	-	-	-
Transferred to statutory reserve	-	-	-	-
Dividend on profit	-	-	(5,241,600)	<b>(5,241,600)</b>
<b>Balance as at March 31, 2023</b>	<b>140,000,000</b>	<b>22,691,427</b>	<b>(29,620,085)</b>	<b>133,071,342</b>

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

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



# Popular Islamic Modaraba

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

#### 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 and Diminishing Musharakah arrangements, Further, trading in listed securities and commodities are also under consultation of management. In addition to this the management is also scrolling venture to enter in Housing Finance.

#### 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, 2022.

#### 5. PROPERTY & EQUIPMENTS - (OWNED)

	Unaudited March 31, 2023	Audited June 30,2022
Book value at the beginning of the period/year	161,219	80,689
Addition - at cost	-	143,860
Deletion - net	-	-
Depreciation charged	(55,707)	(63,330)
Book value at the end of the period/year	<u>105,512</u>	<u>161,219</u>

#### 6. PROPERTY & EQUIPMENTS - (IJARAH)

Book value at the beginning of the period/year	25,868,708	22,559,434
Addition - at cost	10,799,000	13,241,000
Deletion - net	(3,149,000)	(1,739,596)
Depreciation charged	(4,362,879)	(8,192,130)
Book value at the end of the period/year	<u>29,155,829</u>	<u>25,868,708</u>

#### 7. CONTINGENCIES & COMMITMENTS

Contingencies and commitments are those as disclosed in the audited financial statements for the year ended June 30,2022.

#### 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	365,878	282,307
		<u>365,878</u>	<u>282,307</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