



Popular Islamic Modaraba
An Islamic Financial Institution

Quarterly Accounts
September 30, 2019
(Un-Audited)

Managed By:

Popular Islamic Modaraba
Management Company (Pvt.) 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, is pleased to present the Directors' Report of the Modaraba for the Quarter ended September 30, 2019.

The summarized financial results for the quarter ended September 30, 2019 are as under:

	Un-Audited Sep-19	Un-Audited Sep-18
	(Rupees)	
Income	6,751,130	6,058,062
Operating expenses	(1,503,339)	(1,819,325)
Depreciation of Ijarah Assets	(4,006,136)	(3,564,673)
Profit before management fee	1,241,655	674,064
Management Fee	(124,166)	-
Sales tax on management fee	(16,142)	-
Profit before taxation	1,101,347	674,064
Taxation	-	-
Profit after taxation	1,101,347	674,064
Earning per certificate - basic & diluted	0.11	0.07

Review of Operations:

By the grace of Almighty Allah, the Modaraba was able to achieve Income of Rs.6.549 million as compared to Rs. 6.003 million income of September 30, 2018. Operating expenses reduced from Rs. 1.8 million to Rs. 1.5 million however, depreciation expenses increased from Rs. 3.5 million to Rs. 4.00 million due to increase in Ijarah Financing. The profit after tax amounted to Rs.1.101 million which has increased by 63.38% as compared to the correspondence period, resultantly the EPC stood at Re.0.11 per certificate.

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. Now as we have picked up the momentum, Insha Allah, we intend to remain in profit here onwards. The Modaraba is trying to balance Ijarah and Diminishing Musharakah financing to control the depreciation expenses which will help in increasing profit.

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

October 25, 2019
Karachi.



پاپولر اسلامک مضرارہ
اسلامی مالیاتی ادارہ

ڈائریکٹرز کی رپورٹ برائے سہ ماہی 30 ستمبر 2019

پاپولر اسلامک مضرارہ منجمنٹ کمپنی (پرائیوٹ) لمیٹڈ جو پاپولر اسلامک کی منجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو بہ مسرت ڈائریکٹرز کی رپورٹ برائے سہ ماہی 30 ستمبر 2019 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

برائے ستمبر 2018	برائے ستمبر 2019	
----- (روپے) -----		
6,058,062	6,751,130	آمدنی
(1,819,325)	(1,503,339)	آپریٹنگ اخراجات
(3,564,673)	(4,006,136)	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپریسی ایشن)
<u>674,064</u>	<u>1,241,655</u>	منافع قبل از منجمنٹ فیس
-	(124,166)	منجمنٹ فیس
-	(16,142)	منجمنٹ فیس پریسزنگ فیس
<u>674,064</u>	<u>1,101,347</u>	نفع قبل از ٹیکس
-	-	ٹیکس
<u>674,064</u>	<u>1,101,347</u>	نفع بعد از ٹیکس
<u>0.07</u>	<u>0.11</u>	آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ:

اللہ کے فضل و کرم سے اس سہ ماہی کی آمدنی 6.751 ملین روپے رہی جبکہ گزشتہ سال ستمبر 2018 کی آمدنی 6.751 ملین روپے تھی۔ آپریٹنگ اخراجات 1.8 ملین سے کم ہو کر 1.5 ملین روپے رہے، جبکہ ڈیپریسی ایشن اخراجات 3.5 ملین سے بڑھ کر 4.0 ملین رہا جسکی وجہ اجارہ اثاثوں میں اضافہ ہے۔ پچھلے سال کے مقابلے میں بعد از ٹیکس منافع میں 63.88% اضافہ ہوا جو کہ 1.101 ملین روپے رہا جبکہ آمدنی فی سرٹیفکیٹ 0.11 روپے ریکارڈ کی گئی۔

مستقبل کے امکانات:

مضرارہ کی توجہ فنانسنگ کے کاروبار پر مرکوز ہے۔ اپنے وسائل کا زیادہ سے زیادہ اور موثر استعمال کر کے آہستہ آہستہ اچھے معیار کے اثاثوں کا پورٹ فولیو بنانا تاکہ اپنی بیلنس شیٹ کو بہتر بنایا جاسکے۔ اب ہم ترقی کی طرف گامزن ہیں اور انشاء اللہ ترقی کے اس سفر کو جاری رکھیں گے۔ ہم کوشش کر رہے ہیں کہ اجارہ اور ڈیمینٹنگ مشارکت فنانسنگ میں توازن قائم کیا جائے تاکہ اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپریسی ایشن) میں کمی کی جاسکے جس سے آمدنی میں اضافہ ہوگا۔

اعتراف:

زیر جائزہ مدت کے دوران مضرارہ مشکور ہے رجسٹرار مضرارہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی رہنمائی اور تعاون کا اور مستقبل میں بھی اس کی امید رکھتا ہے۔
منجانب بورڈ

محمد ریاض
چیف ایگزیکٹو

25 اکتوبر 2019



Popular Islamic Modaraba

An Islamic Financial Institution

BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2019

Un-audited
Sep-19
(RUPEES)

Audited
Jun-19

ASSETS

NON CURRENT ASSETS

Property and equipment - owned	14,534	15,770
Property and equipment - ijarah	32,153,773	21,159,909
Long Term Morabaha Finance	2,898,621	2,898,621
Long Term Investment-Diminishing Musharaka	41,321,200	41,321,200
	76,388,128	65,395,500

CURRENT ASSETS

Short term morabaha finance	23,712,232	24,266,866
Current portion of Diminishing Musharakah	10,217,590	13,637,381
Advances and other receivables	8,392,101	3,065,395
Cash and bank balances	4,798,141	14,205,853
	47,120,064	55,175,495

TOTAL ASSETS

	123,508,192	120,570,995
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EQUITY AND LIABILITIES

Authorized certificate capital

14,000,000 (2019: 14,000,000) modaraba
certificates of Rs. 10 each

	140,000,000	140,000,000
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Certificate holders' equity

Certificate capital	100,000,000	100,000,000
Statutory reserve	18,754,553	18,754,553
Accumulated profit	(31,592,458)	(32,693,805)
	87,162,095	86,060,748

NON-CURRENT LIABILITIES

Security deposits against Ijarah	3,966,980	3,779,980
Deferred liability	779,293	779,293
	4,746,273	4,559,273

CURRENT LIABILITIES

Accrued and other liabilities	677,561	669,019
Current portion of security deposits	4,143,200	2,643,200
Provision for taxation	14,980	14,980
Unclaimed profit distribution	984,649	984,649
Payable to management company	25,000,000	25,000,000
Management fee payable	690,698	566,532
Sales tax on management fee	88,736	72,594

TOTAL LIABILITIES

	31,599,824	29,950,974
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CONTINGENCIES & COMMITMENTS


	123,508,192	120,570,995
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For Popular Islamic Modaraba Management Company (Private) Limited
(Management Company)


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR



Popular Islamic Modaraba

An Islamic Financial Institution

PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019


	Un-Audited Sep-19 (RUPEES)	Un- Audited Sep-18 (RUPEES)
	Note	
Income	6,549,480	6,003,737
Operating expenses	(1,503,339)	(1,819,325)
Depreciation of Ijarah Assets	(4,006,136)	(3,564,673)
Operating profit	(5,509,475)	(5,383,998)
Other Income	201,650	54,325
Profit before management fee	1,241,655	674,064
Management fee	(124,166)	-
Sales tax on management fee	(16,142)	-
	(140,308)	-
Profit before taxation	1,101,347	674,064
Taxation	-	-
Profit after taxation	1,101,347	674,064
Other comprehensive income	-	-
Total comprehensive income	1,101,347	674,064
Earnings per certificate - basic & diluted	0.11	0.07

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR



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CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Un-audited Sep-19	Un-audited Sep-18
	(RUPEES)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,101,347	674,064
Adjustments for:		
Depreciation expense	1,236	1,236
Depreciation of assets leased out under ijarah	4,006,136	3,564,673
	<u>4,007,372</u>	<u>3,565,909</u>
Operating profit before working capital changes	5,108,719	4,239,973
Decrease / (Increase) in current assets		
Current portion of morabaha finance	554,634	41,306
Current portion of long term investment D.M	3,419,791	(6,515,299)
Advances and other receivables	(5,326,706)	4,541,977
	<u>(1,352,281)</u>	<u>(1,932,016)</u>
Increase/(decrease) in current liabilities		
Accrued and other liabilities	8,542	(7,528)
Management fee payable	124,166	-
Sales tax on management fee	16,142	-
	<u>148,850</u>	<u>(7,528)</u>
Cash generated from operations	3,905,288	2,300,429
Tax paid	-	(3,933)
Net cash generated from operating activities	3,905,288	2,296,496
CASH FLOW FROM INVESTING ACTIVITIES		
Morabaha finance	-	55,556
Purchase of fixed assets- ijarah	(15,000,000)	-
Security deposit from ijarah	1,687,000	299,800
Investment in diminishing musharakah	-	(4,051,694)
Net cash (used in) investing activities	<u>(13,313,000)</u>	<u>(3,696,338)</u>
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net (decrease) in cash & cash equivalent	<u>(9,407,712)</u>	<u>(1,399,842)</u>
Cash and cash equivalents at the beginning of the year	14,205,853	6,168,668
Cash and cash equivalents at the end of the year	<u>4,798,141</u>	<u>4,768,826</u>

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


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DIRECTOR


DIRECTOR



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STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Certificate Capital	Statutory Reserve	Accumulated profit	Total
----- (Rupees) -----				
Balance as at June 30, 2018	100,000,000	17,786,733	(36,565,085)	81,221,648
Profit for the Year	-	-	4,839,100	4,839,100
Transferred to statutory reserve	-	967,820	(967,820)	-
Balance as at June 30, 2019	<u>100,000,000</u>	<u>18,754,553</u>	<u>(32,693,805)</u>	<u>86,060,748</u>
Profit for the Period	-	-	1,101,347	1,101,347
Transferred to statutory reserve	-	-	-	-
Balance as at September 30, 2019	<u>100,000,000</u>	<u>18,754,553</u>	<u>(31,592,458)</u>	<u>87,162,095</u>

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR



Popular Islamic Modaraba

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NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

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 leasing, 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 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, 2019.

	September 30,2019	Audited June 30,2019
	(Rupees)	
5. PROPERTY & EQUIPMENTS - (OWNED)		
Cost	91,150	91,150
Less: Accumulated Depreciation	<u>(74,157)</u>	<u>(75,380)</u>
	<u>16,993</u>	<u>15,770</u>
6. PROPERTY & EQUIPMENTS - (IJARAH)		
Cost	42,075,800	41,393,402
Addition	15,000,000	4,959,400
Disposals (WDV)	-	(11,179,078)
Less: Accumulated Depreciation	<u>(24,922,027)</u>	<u>(14,013,815)</u>
	<u>32,153,773</u>	<u>21,159,909</u>

7. CONTINGENCIES & COMMITMENTS

Contingencies and commitments are those as disclosed in the audited financial statements for the year ended June 30,2019.

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

Nature of Transaction	Relationship with the Company	124,166	-
Management fee	Management company	<u>124,166</u>	<u>-</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 EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR