



**Popular Islamic Modaraba**  
An Islamic Financial Institution

**Quarterly Accounts**  
**September 30, 2020**  
**(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, 2020.

The summarized financial results for the quarter ended September 30, 2020 are as under:

	Un-Audited Sep-20	Un-Audited Sep-19
	(Rupees)	
<b>Income</b>	10,658,799	6,751,130
Operating expenses	(1,324,118)	(1,503,339)
Depreciation of Ijarah Assets	(8,031,846)	(4,006,136)
<b>Profit before management fee</b>	<b>1,302,835</b>	<b>1,241,655</b>
Management Fee	(130,284)	(124,166)
Sales tax on management fee	(16,937)	(16,142)
<b>Profit before taxation</b>	<b>1,155,615</b>	<b>1,101,347</b>
Taxation	-	-
<b>Profit after taxation</b>	<b>1,155,615</b>	<b>1,101,347</b>
<b>Earning per certificate - basic &amp; diluted</b>	<b>0.12</b>	<b>0.11</b>

#### Review of Operations:

In spite of uncertainty of situation due to COVID-19 and its impact on economy. By the grace of Almighty Allah, the Modaraba was able to achieve Income of Rs. 10.658 million which has increased by 57.88% as compared to Rs. 6.751 million income of September 30, 2019. Operating expenses reduced from Rs. 1.5 million to Rs. 1.3 million however, depreciation expenses increased from Rs. 4.006 million to Rs. 8.031 million due to increase in Ijarah Financing. The profit after tax amounted to Rs.1.155 million as compared to the correspondence period, resultantly the EPC stood at Re.0.12 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 23, 2020  
Karachi.



مضار بہ

اسلامک

پاپولر

اسلامی مالیاتی ادارہ

ڈائریکٹرز کی رپورٹ برائے سماہی 30 ستمبر 2020

پاپولر اسلامک مضار بہ منیجمنٹ کمپنی (پرائیویٹ) لمیٹڈ جو پاپولر اسلامک کی منیجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو بہ مسرت ڈائریکٹرز کی رپورٹ برائے سماہی 30 ستمبر 2020 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

برائے ستمبر 2019	برائے ستمبر 2020	
----- (روپے) -----		
6,751,130	10,658,799	آمدنی
(1,503,339)	(1,324,118)	آپریٹنگ اخراجات
(4,006,136)	(8,031,846)	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپریسی ایشن)
<u>1,241,655</u>	<u>1,302,835</u>	منافع قبل از منجمنٹ فیس
(124,166)	(130,284)	منجمنٹ فیس
(16,142)	(16,937)	منجمنٹ فیس پر سٹریٹجکس
<u>1,101,347</u>	<u>1,155,615</u>	نفع قبل از ٹیکس
-	-	ٹیکس
<u>1,101,347</u>	<u>1,155,615</u>	نفع بعد از ٹیکس
<u>0.11</u>	<u>0.12</u>	آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ:

کووڈ-19 کی وجہ سے غیر یقینی صورت حال اور بحیثیت پر اس کے اثرات کے باوجود، اللہ کے فضل و کرم سے اس پہلے سماہی کی آمدنی 10.658 ملین روپے رہی جبکہ گزشتہ سال ستمبر 2019 کی آمدنی 6.751 ملین روپے تھی۔ پچھلے سال کے مقابلے میں آمدنی میں 57.88% اضافہ ہوا۔ آپریٹنگ اخراجات 1.5 ملین سے کم ہو کر 1.3 ملین روپے رہے، جبکہ ڈیپریسی ایشن اخراجات 4,006 ملین سے بڑھ کر 8,031 ملین روپے ہو گئے۔ اجارہ اثاثوں میں اضافہ ہے۔ جبکہ آمدنی فی سرٹیفکیٹ 0.12 روپے ریکارڈ کی گئی۔

مستقبل کے امکانات:

مضار بہ کی توجیف نائنگ 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 ڈیمنٹنگ مشارک نائنگ 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 مضار بہ منکھور ہے رجسٹر ارمضار بہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی رہنمائی اور تعاون کا اور مستقبل میں بھی اس کی امید رکھتا ہے۔

منجانب بورڈ  
محمد رفیق چیف ایگزیکٹو

23 اکتوبر 2020



# Popular Islamic Modaraba

An Islamic Financial Institution

## BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2020

	Un-audited Sep-20 (RUPEES)	Audited Jun-20
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property and equipment - owned	34,684	37,844
Property and equipment - ijarah	39,280,793	48,812,639
Long Term Morabaha Finance	1,449,310	1,449,310
Long Term Investment-Diminishing Musharaka	42,508,486	44,454,026
	<b>83,273,273</b>	<b>94,753,819</b>
<b>CURRENT ASSETS</b>		
Short term morabaha finance	24,138,933	22,703,821
Current portion of Diminishing Musharakah	3,977,864	5,009,086
Advances and other receivables	9,443,103	4,953,794
Cash and bank balances	11,152,095	4,536,119
	<b>48,711,995</b>	<b>37,202,820</b>
<b>TOTAL ASSETS</b>	<b>131,985,268</b>	<b>131,956,639</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Authorized certificate capital</b>		
14,000,000 (2020: 14,000,000) modaraba certificates of Rs. 10 each	<b>140,000,000</b>	<b>140,000,000</b>
<b>Certificate holders' equity</b>		
Certificate capital	100,000,000	100,000,000
Statutory reserve	19,863,189	19,863,189
Accumulated profit	(30,583,644)	(31,739,259)
	<b>89,279,545</b>	<b>88,123,930</b>
<b>NON-CURRENT LIABILITIES</b>		
Security deposits against Ijarah	2,902,510	2,902,510
Deferred liability	1,023,222	1,023,222
	<b>3,925,732</b>	<b>3,925,732</b>
<b>CURRENT LIABILITIES</b>		
Accrued and other liabilities	1,182,219	956,425
Current portion of security deposits	8,061,120	9,561,120
Provision for taxation	14,980	14,980
Unclaimed profit distribution	1,366,335	1,366,335
Payable to management company	28,000,000	28,000,000
Management fee payable	138,401	8,117
Sales tax on management fee	16,937	-
	<b>38,779,991</b>	<b>39,906,977</b>
<b>TOTAL LIABILITIES</b>	<b>38,779,991</b>	<b>39,906,977</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>		
	<b>-</b>	<b>-</b>
	<b>131,985,268</b>	<b>131,956,639</b>

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
DIRECTOR



# Popular Islamic Modaraba

## An Islamic Financial Institution

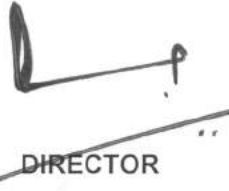
### PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020


	Un-Audited Sep-20 (RUPEES)	Un- Audited Sep-19 (RUPEES)
Income	10,469,255	6,549,480
Operating expenses	(1,324,118)	(1,503,339)
Depreciation of Ijarah Assets	(8,031,846)	(4,006,136)
Operating profit	1,113,291	1,040,005
Other Income	189,544	201,650
Profit before management fee	1,302,835	1,241,655
Management fee	(130,284)	(124,166)
Sales tax on management fee	(16,937)	(16,142)
	(147,220)	(140,308)
Profit before taxation	1,155,615	1,101,347
Taxation	-	-
Profit after taxation	1,155,615	1,101,347
Other comprehensive income	-	-
Total comprehensive income	1,155,615	1,101,347
Earnings per certificate - basic & diluted	0.12	0.11

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
DIRECTOR



# Popular Islamic Modaraba

An Islamic Financial Institution

## CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Un-audited Sep-20 (RUPEES)	Un-audited Sep-19 (RUPEES)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,155,615	1,101,347
<b>Adjustments for:</b>		
Depreciation expense	3,160	1,236
Depreciation of assets leased out under ijarah	8,031,846	4,006,136
	<b>8,035,006</b>	<b>4,007,372</b>
Operating profit before working capital changes	9,190,621	5,108,719
<b>Decrease / (Increase) in current assets</b>		
Current portion of morabaha finance	(1,435,112)	554,634
Current portion of long term investment D.M	1,031,222	3,419,791
Advances and other receivables	(4,489,309)	(5,326,706)
	<b>(4,893,199)</b>	<b>(1,352,281)</b>
<b>Increase/(decrease) in current liabilities</b>		
Accrued and other liabilities	225,794	8,542
Management fee payable	130,284	124,166
Sales tax on management fee	16,937	16,142
	<b>373,014</b>	<b>148,850</b>
<b>Net cash generated from operation</b>	<b>4,670,436</b>	<b>3,905,288</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets- ijarah	-	(1,500,000)
Security deposit from ijarah	-	1,687,000
Investment in diminishing musharakah	1,945,540	-
Net cash (used in) investing activities	1,945,540	(13,313,000)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	-	-
<b>Net (decrease) in cash &amp; cash equivalent</b>	<b>6,615,976</b>	<b>(9,407,712)</b>
Cash and cash equivalents at the beginning of the year	4,536,119	14,205,853
<b>Cash and cash equivalents at the end of the year</b>	<b>11,152,095</b>	<b>4,798,141</b>

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
DIRECTOR



# Popular Islamic Modaraba

An Islamic Financial Institution

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	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)	-
<b>Balance as at June 30, 2020</b>	<b>100,000,000</b>	<b>19,863,189</b>	<b>(31,739,259)</b>	<b>88,123,930</b>
Profit for the Period	-	-	1,155,615	1,155,615
Dividend on profit	-	-	-	-
Transferred to statutory reserve	-	-	-	-
<b>Balance as at September 30, 2020</b>	<b>100,000,000</b>	<b>19,863,189</b>	<b>(30,583,644)</b>	<b>89,279,545</b>

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
DIRECTOR





# Popular Islamic Modaraba

## An Islamic Financial Institution

### NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

#### 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 Securities and Exchange Commission of Pakistan. 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, Diminishing Musharakah, Murabahah, also considering for 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 Act, 2017. 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, 2020.

	September 30,2020	Audited June 30,2020
	(Rupees)	
<b>5. PROPERTY &amp; EQUIPMENTS - (OWNED)</b>		
Cost	121,975	121,975
Less: Accumulated Depreciation	(87,291)	(84,131)
	<u>34,684</u>	<u>37,844</u>
<b>6. PROPERTY &amp; EQUIPMENTS - (IJARAH)</b>		
Cost	86,249,300	42,075,822
Addition	-	44,173,478
Disposals (WDV)	(1,500,000)	(1,000,000)
Less: Accumulated Depreciation	(45,468,507)	(36,436,661)
	<u>39,280,793</u>	<u>48,812,639</u>

#### 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

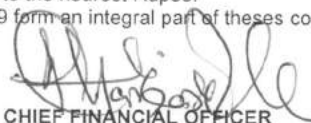
Nature of Transaction	Relationship with the Company	130,284	-
Management fee	Management company	<u>130,284</u>	<u>-</u>

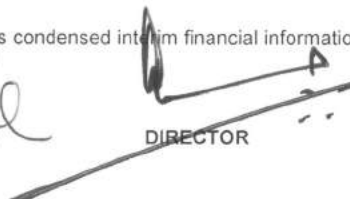
#### 9. General

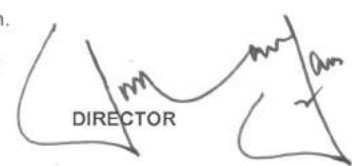
Figures have been rounded off to the nearest Rupee.

The annexed notes from 1 to 09 form an integral part of these condensed interim financial information.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
DIRECTOR