



Popular Islamic Modaraba
An Islamic Financial Institution

Quarterly Accounts
September 30, 2021
(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, 2021.

The summarized financial results for the quarter ended September 30, 2021 are as under:

	Un-Audited Sep-21	Un-Audited Sep-20
	(Rupees)	
Income	5,654,263	10,658,799
Operating expenses	(2,101,042)	(1,324,118)
Depreciation of Ijarah Assets	(1,854,941)	(8,031,846)
Profit before management fee	1,698,280	1,302,835
Management Fee	(84,914)	(130,284)
Sales tax on management fee	(11,039)	(16,937)
Profit before taxation	1,602,327	1,155,615
Taxation	-	-
Profit after taxation	1,602,327	1,155,615
Earning per certificate - basic & diluted	0.14	0.12

Review of Operations:

Inspite 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. 5.654 million as compared to the income for the quarter ended September 30, 2021 which was Rs. 10.658 million the reason of reduction is shifting of portfolio from Ijarah to Diminishing Musharakah, resultantly the depreciation expenses decreased from Rs. 8.031 million to Rs. 1.854 million. The profit after tax amounted to Rs. 1.602 million which is increased by 38.65% as compared to the correspondence period, accordingly the EPC stood at Re.0.14 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 22, 2021
Karachi.

مضاربہ

اسلامک

پاپولر



اسلامی مالیاتی ادارہ

ڈائریکٹرز کی رپورٹ برائے سرمایہ 30 ستمبر 2021

پاپولر اسلامک مضاربہ منجھت کمپنی (پرائیویٹ) لمیٹڈ جو پاپولر اسلامک کی منجھت کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو یہ مسرت ڈائریکٹرز کی رپورٹ برائے سرمایہ 30 ستمبر 2021 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

برائے ستمبر 2020	برائے ستمبر 2021	
10,658,799	5,654,263	آمدنی
(1,324,118)	(2,101,042)	آپریٹنگ اخراجات
(8,031,846)	(1,854,941)	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپریسی ایشن)
1,302,835	1,698,280	منافع قبل از منجھت فیس
(130,284)	(84,914)	منجھت فیس
(16,937)	(11,039)	منجھت فیس پر سٹونگس
1,155,615	1,602,327	نفع قبل از ٹیکس
-	-	ٹیکس
1,155,615	1,602,327	نفع بعد از ٹیکس
0.12	0.14	آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ:

کووڈ-19 کی وجہ سے غیر یقینی صورت حال اور بیعت پر اس کے اثرات کے باوجود، اللہ کے فضل و کرم سے اس پہلے سرمایہ کی آمدنی 5.654 ملین روپے رہی جبکہ گزشتہ سال ستمبر 2020 کی آمدنی 10.658 ملین روپے تھی، اس کی وجہ رپورٹ فوریوں کی اجارہ سے ڈسٹنگ مشارک کی طرف منتقلی ہے، اس ہی وجہ سے ڈیپریسی ایشن اخراجات 8.031 ملین سے کم ہو کر 1.854 ملین ہو گئے۔ پچھلے سال کے مقابلے میں خالص آمدنی میں 38.65% اضافہ ہوا۔ جبکہ آمدنی فی سرٹیفکیٹ 0.14 پیسہ بیکارڈ کی گئی۔

مستقبل کے امکانات:

مضاربہ 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 پبلٹس 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 ڈسٹنگ مشارک 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 مضاربہ منجھت کمپنی کے رجسٹرار مضاربہ، بیکورٹرز اینڈ ایگزیکٹو کمیشن آف پاکستان کی رہنمائی اور تعاون کا اور مستقبل میں بھی اس کی امید رکھتا ہے۔

منجانب بورڈ
چیف ایگزیکٹو

22 اکتوبر 2021



Popular Islamic Modaraba

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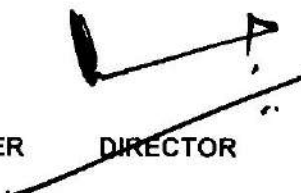
BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2021

	Un-audited Sep-21	Audited Jun-21
	(RUPEES)	
ASSETS		
NON CURRENT ASSETS		
Property and equipment - owned	108,323	80,689
Property and equipment - ijarah	19,667,335	22,559,434
Long Term Investment-Diminishing Musharaka	36,030,589	36,313,699
	55,806,247	58,953,822
CURRENT ASSETS		
Short term morabaha finance	39,974,294	38,831,773
Current portion of Diminishing Musharakah	10,038,241	13,479,037
Advances and other receivables	12,637,757	10,289,573
Cash and bank balances	24,429,950	7,948,500
	87,080,242	70,548,883
TOTAL ASSETS	142,886,489	129,502,705
EQUITY AND LIABILITIES		
Authorized certificate capital		
14,000,000 (2020: 14,000,000) modaraba certificates of Rs. 10 each	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 profit	(28,099,965)	(29,702,292)
	133,281,216	91,678,889
NON-CURRENT LIABILITIES		
Security deposits against Ijarah	2,684,900	2,684,900
Deferred liability	1,401,130	1,401,130
	4,086,030	4,086,030
CURRENT LIABILITIES		
Accrued and other liabilities	2,027,452	1,303,478
Current portion of security deposits	1,233,050	2,273,050
Provision for taxation	14,980	14,980
Unclaimed profit distribution	1,675,903	1,674,373
Payable to management company	-	28,000,000
Management fee payable	503,463	418,549
Sales tax on management fee	64,395	53,356
	5,519,243	33,737,786
TOTAL LIABILITIES	5,519,243	33,737,786
CONTINGENCIES & COMMITMENTS		
	142,886,489	129,502,705

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR



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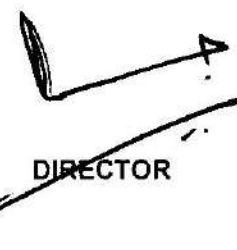
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

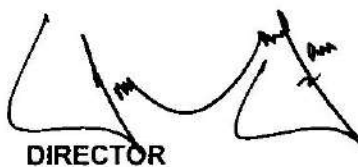
	Un-Audited Sep-21 (RUPEES)	Un- Audited Sep-20 (RUPEES)
Income	5,504,556	10,469,255
Operating expenses	(2,101,042)	(1,324,118)
Depreciation of Ijarah Assets	(1,854,941)	(8,031,846)
Operating profit	1,548,573	1,113,291
Other Income	149,707	189,544
Profit before management fee	1,698,280	1,302,835
Management fee	(84,914)	(130,284)
Sales tax on management fee	(11,039)	(16,937)
	(95,953)	(147,221)
Profit before taxation	1,602,327	1,155,615
Taxation	-	-
Profit after taxation	1,602,327	1,155,615
Other comprehensive income	-	-
Total comprehensive income	1,602,327	1,155,615
Earnings per certificate - basic & diluted	0.14	0.12

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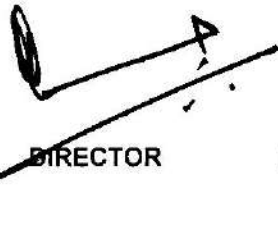
CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Un-audited Sep-21	Un-audited Sep-20
	(RUPEES)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,602,327	1,155,615
Adjustments for:		
Depreciation expense	8,726	3,160
Depreciation of assets leased out under ijarah	2,118,795	8,031,846
	2,127,521	8,035,006
Operating profit before working capital changes	3,729,848	9,190,621
Decrease / (Increase) in current assets		
Current portion of morabaha finance	(1,142,521)	(1,435,112)
Current portion of long term investment D.M	3,440,796	1,031,222
Advances and other receivables	(2,348,184)	(4,489,309)
	(49,909)	(4,893,199)
Increase/(decrease) in current liabilities		
Accrued and other liabilities	723,974	723,974
Management fee payable	84,914	84,914
Sales tax on management fee	11,039	11,039
	819,927	819,927
Net cash generated from operation	4,499,866	3,905,288
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets- ijarah	-	-
Ijarah assets transfer-net	11,071,568	-
Owned assets purchased	(36,360)	-
Security deposit from ijarah	1,040,000	-
Investment in murabaha finance	(1,142,521)	-
Investment in diminishing musharakah	1,048,897	1,945,540
Net cash generated / (used in) investing activities	11,981,584	(13,313,000)
CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
Net increase in cash & cash equivalent	16,481,450	6,615,976
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	24,429,950	11,152,095

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STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

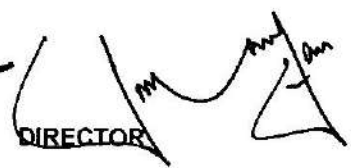
	Certificate Capital	Statutory Reserve	Accumulated profit	Total
----- (Rupees) -----				
Balance as at June 30, 2020	100,000,000	19,863,189	(31,739,259)	88,123,930
Profit for the Year	-	-	7,589,959	7,589,959
Dividend on profit	-	-	(4,035,000)	(4,035,000)
Transferred to statutory reserve	-	1,517,992	(1,517,992)	-
Balance as at June 30, 2021	100,000,000	21,381,181	(29,702,292)	91,678,889
Profit for the Period	-	-	1,602,327	1,602,327
Dividend on profit	40,000,000	-	-	40,000,000
Transferred to statutory reserve	-	-	-	-
Balance as at September 30, 2021	140,000,000	21,381,181	(28,099,965)	133,281,216

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NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 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 (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, 2021.

	September 30,2021	Audited June 30,2021
	(Rupees)	
5. PROPERTY & EQUIPMENTS - (OWNED)		
Cost	222,335	185,975
Less: Accumulated Depreciation	(114,012)	(105,286)
	<u>108,323</u>	<u>80,689</u>
6. PROPERTY & EQUIPMENTS - (IJARAH)		
Cost	42,678,000	86,249,300
Addition	-	8,479,500
Disposals (WDV)	(10,400,000)	(52,050,800)
Less: Accumulated Depreciation	(12,610,665)	(20,118,566)
	<u>19,667,335</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

Nature of Transaction	Relationship with the Company		
Management fee	Management company	84,914	410,432
		<u>84,914</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 EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR


DIRECTOR