



Popular Islamic Modaraba
An Islamic Financial Institution

Quarterly Accounts
September 30, 2022
(Un-Audited)

Managed By:

Popular Islamic Modaraba
Management Company (Pvt.) Limited



Popular Islamic Modaraba

An Islamic Financial Institution

CORPORATE INFORMATION

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



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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 ("Modaraba"), is pleased to present the unaudited condensed interim financial statements of the Modaraba for first quarter ended September 30, 2022.

The summarized financial results for the quarter ended September 30, 2022 are as under:

	Un-Audited Sep-22	Un-Audited Sep-20
	<i>(Rupees)</i>	
Income	5,875,453	5,654,263
Operating expenses	(1,953,816)	(2,101,042)
Depreciation of Ijarah Assets	(2,067,793)	(1,854,941)
Profit before management fee	1,853,844	1,698,280
Management Fee	(92,692)	(84,914)
Sales tax on management fee	(12,050)	(11,039)
Profit before taxation	1,749,102	1,602,327
Taxation	(297,347)	-
Profit after taxation	1,451,755	1,602,327
Earning per certificate - basic & diluted	0.10	0.14

Review of Operations:

During the first quarter the financial performance of Modaraba was quite satisfactory. The Modaraba booked income of Rs.5.875 million as compared to Rs.5.654 million in the preceeding period. Modaraba shown noticable reduction in operating expenses and reported operating expenses of Rs.1.953 million as compared to Rs2.101 million in corresponding period. The profit after tax amounted to Rs. 1.451 million which was decreased by 10% as compared to the correspondence period due to the withdrawal of tax exemption for Modaraba Sector, accordingly the EPC stood at Re.0.10 per certificate.

Future Outlook:

After withdrawal of Tax exemption, the management of Modaraba is taking concrete steps and adopting modern business methodologies to deal with the situation. The main focus of the management is to enhance the profitability to give better return to its Certificateholders. 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.

Acknowledgement:

The Modaraba has enjoyed the valuable guidance and support of Registrar Modarabas, Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange for their cooperation, support and guidance from time to time, and wishes to enjoy the same in future as well.

For and on behalf of the Board

-SD-

Kamran Hussain Mughal
Chief Executive Officer

October 21, 2022
Karachi.



پاپولر اسلامک مضرابہ اسلامی مالیاتی ادارہ

ڈائریکٹرز کی رپورٹ برائے سہ ماہی 30 ستمبر 2022

پاپولر اسلامک مضرابہ منیجمنٹ کمپنی (پرائیوٹ) لمیٹڈ جو پاپولر اسلامک کی منیجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو بہ مسرت ڈائریکٹرز کی رپورٹ برائے سہ ماہی 30 ستمبر 2022 پیش کرتے ہیں۔

نمایاں مالیاتی نتائج:

برائے ستمبر 2021	برائے ستمبر 2022	
5,654,263	5,875,453	آمدنی
(2,101,042)	(1,953,816)	آپریٹنگ اخراجات
(1,854,941)	(2,067,793)	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپریسی ایشن)
1,698,280	1,853,844	منافع قبل از منجمنٹ فیس
(84,914)	(92,692)	منجمنٹ فیس
(11,039)	(12,050)	منجمنٹ فیس پریسٹرنجیکس
1,602,327	1,749,102	نفع قبل از ٹیکس
-	(297,347)	ٹیکس
1,602,327	1,451,755	نفع بعد از ٹیکس
0.14	0.10	آمدنی فی سرٹیفکیٹ

کاروبار کا جائزہ:

پہلی سہ ماہی کے دوران مضرابہ کی کارکردگی قدرتی تبدیلی بخش رہی، مضرابہ نے گزشتہ مدت کے 5.654 ملین آمدنی کے مقابلے میں 5.875 ملین کی آمدنی دیکھائی۔ مضرابہ نے گزشتہ سال کے مقابلے میں آپریٹنگ اخراجات میں بھی نمایاں کمی دیکھائی۔ بعد از ٹیکس آمدنی میں 10 فیصد کمی دیکھی گئی جس کی وجہ مضرابہ پیکلر سے ٹیکس کی چھوٹ ختم ہونا ہے۔ آمدنی فی سرٹیفکیٹ 0.10 پیسہ ریکارڈ کی گئی۔

مستقبل کے امکانات:

ٹیکس اے سی ختم ہوجانے کے بعد مضرابہ کی انتظامیہ اس صورتحال سے نمٹنے کیلئے ٹھوس اقدامات کر رہی ہے اور جدید کاروباری طریقہ کار اپنارہی ہے۔ انتظامیہ کی بنیادی توجہ منافع کو بڑھانے پر ہے تاکہ اپنے سرٹیفکیٹ ہولڈرز کو بہترین منافع دے سکے۔ 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۔

اعتراف:

مضرابہ مشکور ہے رجسٹرار مضرابہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کی رہنمائی اور تعاون کا اور مستقبل میں بھی اس کی امید رکھتا ہے۔
مخائب بورڈ

- دستخط شدہ -

کامران حسین مغل

چیف ایگزیکٹو

21 اکتوبر 2022



Popular Islamic Modaraba

An Islamic Financial Institution

BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2022

Un-audited
Sep-22
Audited
Jun-22
(RUPEES)

ASSETS

NON CURRENT ASSETS

Property and equipment - owned	142,089	161,219
Property and equipment - ijarah	23,721,315	25,868,708
Long Term Investment-Diminishing Musharaka	35,584,543	38,534,981
	59,447,947	64,564,908

CURRENT ASSETS

Short term morabaha finance	55,993,690	56,048,654
Current portion of Diminishing Musharakah	15,674,717	18,990,347
Advances and other receivables	9,393,163	9,903,370
Cash and bank balances	13,652,085	2,579,156
	94,713,655	87,521,527

TOTAL ASSETS

154,161,602 **152,086,435**

EQUITY AND LIABILITIES

Authorized certificate capital

14,000,000 (2022: 14,000,000) modaraba
certificates of Rs. 10 each

140,000,000 **140,000,000**

Certificate holders' equity

Certificate capital	140,000,000	140,000,000
Statutory reserve	22,691,427	22,691,427
Accumulated profit	(28,657,155)	(30,108,910)
	134,034,272	132,582,517

NON-CURRENT LIABILITIES

Security deposits against Ijarah	4,986,900	4,986,900
Deferred liability	1,666,110	1,666,110
	6,653,010	6,653,010

CURRENT LIABILITIES

Accrued and other liabilities	1,412,493	1,111,570
Current portion of security deposits	911,850	991,450
Provision for taxation	1,681,607	1,384,260
Unclaimed profit distribution	2,025,641	2,025,641
Payable to management company	7,000,000	7,000,000
Management fee payable	374,999	282,307
Sales tax on management fee	67,730	55,680

TOTAL LIABILITIES

13,474,320 **12,850,908**

CONTINGENCIES & COMMITMENTS

- -
154,161,602 **152,086,435**

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

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CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



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PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Un-Audited Sep-22 (RUPEES)	Un- Audited Sep-21 (RUPEES)
Income	5,665,889	5,504,556
Operating expenses	(1,953,816)	(2,101,042)
Depreciation of Ijarah Assets	(2,067,793)	(1,854,941)
Operating profit	1,644,280	1,548,573
Other Income	209,564	149,707
Profit before management fee	1,853,844	1,698,280
Management fee	(92,692)	(84,914)
Sales tax on management fee	(12,050)	(11,039)
	(104,742)	(95,953)
Profit before taxation	1,749,102	1,602,328
Taxation	(297,347)	-
Profit after taxation	1,451,755	1,602,328
Other comprehensive income	-	-
Total comprehensive income	1,451,755	1,602,328
Earnings per certificate - basic & diluted	0.10	0.14

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

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CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



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CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Un-audited Sep-22 (RUPEES)	Un-audited Sep-21
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,749,102	1,749,102
Adjustments for:		
Depreciation expense	19,130	8,726
Depreciation of assets leased out under ijarah	2,067,793	2,118,795
	2,086,923	2,127,521
Operating profit before working capital changes	3,836,025	3,876,623
Decrease / (Increase) in current assets		
Current portion of morabaha finance	54,964	(1,142,521)
Current portion of long term investment D.M	3,315,630	3,440,796
Advances and other receivables	510,207	(2,348,184)
	3,880,801	(49,909)
Increase/(decrease) in current liabilities		
Accrued and other liabilities	300,923	723,974
Management fee payable	92,692	84,914
Sales tax on management fee	12,050	11,039
	405,665	819,927
Net cash generated from operation	8,122,491	4,499,866
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets- ijarah	2,148,461	-
Ijarah assets transfer-net	(2,123,826)	11,071,568
Owned assets purchased	-	(36,360)
Security deposit from ijarah	(79,600)	1,040,000
Investment in murabaha finance	54,964	(1,142,521)
Investment in diminishing musharakah	2,950,438	1,048,897
Net cash generated / (used in) investing activities	2,950,437	11,981,584
CASH FLOW FROM FINANCING ACTIVITIES	-	-
Net increase in cash & cash equivalent	11,072,929	16,481,450
Cash and cash equivalents at the beginning of the year	2,579,156	7,948,500
Cash and cash equivalents at the end of the year	13,652,085	24,429,950

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

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CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



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STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Certificate Capital	Statutory Reserve	Accumulated profit	Total
	----- (Rupees) -----			
Balance as at June 30, 2021	100,000,000	21,381,181	(29,702,292)	91,678,889
Profit for the Year	-	-	6,551,228	6,551,228
Additional in paidup capital	40,000,000	-	-	40,000,000
Dividend on profit	-	-	(5,647,600)	(5,647,600)
Transferred to statutory reserve	-	1,310,246	(1,310,246)	-
Balance as at June 30, 2022	140,000,000	22,691,427	(30,108,910)	132,582,517
Profit for the Period	-	-	1,451,755	1,451,755
Additional in paidup capital	-	-	-	-
Dividend on profit	-	-	-	-
Transferred to statutory reserve	-	-	-	-
Balance as at September 30, 2022	140,000,000	22,691,427	(28,657,155)	134,034,272

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

-SD-	-SD-	-SD-	-SD-
_____ CHIEF EXECUTIVE	_____ CHIEF FINANCIAL OFFICER	_____ DIRECTOR	_____ DIRECTOR



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NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 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 (now Companies Act, 2017) and registered with Securities and Exchange Commission of Pakistan (SECP). 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 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.

	September 30,2022	Audited June 30,2022
	(Rupees)	
5. PROPERTY & EQUIPMENTS - (OWNED)		
Cost	329,835	329,835
Less: Accumulated Depreciation	<u>(187,746)</u>	<u>(168,616)</u>
	<u>142,089</u>	<u>161,219</u>
6. PROPERTY & EQUIPMENTS - (IJARAH)		
Cost	42,678,000	42,678,000
Addition	13,241,000	13,241,000
Disposals (WDV)	(20,914,566)	(20,118,566)
Less: Accumulated Depreciation	<u>(11,283,119)</u>	<u>(9,931,726)</u>
	<u>23,721,315</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	<u>92,692</u>	<u>410,432</u>
		<u>92,692</u>	<u>410,432</u>

9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **October 21, 2022** by the Board of Directors of Popular Islamic Modaraba Management Company (Private) Limited.

10. 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.

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CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR