



**Popular Islamic Modaraba**  
An Islamic Financial Institution

**INTERIM FINANCIAL STATEMENTS**  
**HALF YEAR ENDED**  
**December 31, 2024**

**Managed By:**

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Popular Islamic Modaraba  
Management Company (Pvt.) Limited

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# Popular Islamic Modaraba

An Islamic Financial Institution

## TABLE OF CONTENTS

• Corporate Information	1
• Director's Report - English	2
• Director's Report - Urdu	4
• Independent Auditors' Review Report	6
• Condensed Interim Balance Sheet (Un-Audited)	7
• Condensed Interim Profit Or Loss And Other Comprehensive Income (Un-Audited)	8
• Condensed Interim Cash Flow Statement (Un-Audited)	9
• Condensed Interim Statement of Changes in Equity (Un-Audited)	10
• Notes to the Interim Financial Statements (Un-Audited)	11



# Popular Islamic Modaraba

## An Islamic Financial Institution

### 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. Nadeem Ahmed Mazari	
<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>	406-410, 4th 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

## An Islamic Financial Institution

### Directors' Report

The Board of Directors of 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 Half Year ended December 31, 2024 alongwith Auditors' Report to the Certificate Holders on Review of Condensed Interim Financial Information.

The summarized financial results for the half year ended December 31, 2024 are as under:

	December 31, 2024	December 31, 2023
	-----Rupees-----	
<b>Income</b>	<b>24,509,535</b>	17,049,468
Operating expenses	<b>(3,902,690)</b>	(3,768,194)
Depreciation of Ijarah assets	<b>(2,796,260)</b>	(4,350,909)
	<b>6,698,950</b>	8,930,365
Other income	<b>1,759,570</b>	1,000,921
<b>Profit before management fee</b>	<b>19,570,155</b>	9,931,286
Management fee	<b>(978,508)</b>	(496,564)
Sales tax on management fee	<b>(127,206)</b>	(64,553)
<b>Profit before taxation</b>	<b>18,464,442</b>	9,370,168
Taxation	<b>(5,354,688)</b>	(2,717,349)
<b>Profit after taxation</b>	<b>13,109,754</b>	6,652,820
<b>Total comprehensive income</b>	<b>13,109,754</b>	6,652,820
<b>Earnings per certificate - basic &amp; diluted</b>	<b>0.77</b>	0.48

#### **Review of Operations & Economy:**

The second quarter of the current financial year has shown a significant improvement in both the Modaraba's top line and profitability compared to the first quarter of this year and the same quarter of the previous financial year. In comparison to last year, the Modaraba experienced a 44% increase in Income, along with a substantial reduction in depreciation expenses, leading to a 97% increase in net profit for the period.

Throughout the first half of the year, the Modaraba maintained an Income of PKR 24.509 million, representing a 44% year-on-year increase. Further, the gross profit increased by PKR 9.638 million. The profit after tax for the half year ended increased by 97% as compared to the correspondence period. The basic earnings per certificate (EPC) for the period is reported at Re. 0.77 compared to Re. 0.48 for the same period last year.

The uncertain political scenario in the country in particular and in the world in general has limited the growth of economy. The USD-PKR parity was stable during the last one and a half year and is expected to remain so in the near future. Further, The inflation in the country has gone down dramatically from 28% in Jan-24 to 4% in Jan-25 which has caused the discount rate to be brought



# Popular Islamic Modaraba

## An Islamic Financial Institution

down from 22% to 12%. This will may affect the profitability of Modaraba in future, however, to cater this situation, the Modaraba will increase the disbursement of different Islamic Financing Facilities. Under the circumstances, the Modaraba is expecting to ensure better results in the other half of the year in the best possible way.

### **Future outlook:**

Modaraba is focusing on fresh financing business specifically to SMEs to improve profitability. Our endeavor to optimize the utilization of our own resources as well as controlled leveraging of the balance sheet to book and gradually build good quality assets portfolio continues. The Management of the Modaraba is proactively studying available options which would best protect and preserve certificate holders' interest in the future. We are fully committed to maintain this upward trend and Insha Allah foresee to achieve better results, and to pay progressive return to the certificate holders of the Modaraba.

### **Acknowledgments:**

The Board would like to take this opportunity to express gratitude and thanks to our valuable customers for their patronage and support, the Securities and Exchange Commission of Pakistan, the Pakistan Exchange Limited and Modaraba Association of Pakistan for their continuous support and guidance.

Special thanks to our certificate holders for the trust and confidence reposed in us.

for and on behalf of the Board.



**Kamran Hussain Mughal**  
**Chief Executive Officer**

Dated: February 27,2025  
Karachi.



# Popular Islamic Modaraba

## An Islamic Financial Institution

### ڈائریکٹرز کی رپورٹ برائے نصف سال 31 دسمبر 2024

پاپولر اسلامک مضاربہ منجمنٹ کمپنی (پرائیوٹ) لمیٹڈ جو پاپولر اسلامک مضاربہ کی منجمنٹ کمپنی ہے، اسکے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو ڈائریکٹرز کی رپورٹ بمطابق مضاربہ کے نصف سال کے جائزہ شدہ گوشوارے اور آڈیٹر کی جائزہ شدہ رپورٹ برائے نصف سال 31 دسمبر 2024 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔  
نمایاں مالیاتی نتائج:

برائے دسمبر 2023	برائے دسمبر 2024	
17,049,468	24,509,535	آمدنی
(3,768,194)	(3,902,690)	آپریٹنگ اخراجات
(4,350,909)	(2,796,260)	اجارہ اثاثوں کی فرسودگی کے اخراجات (ڈیپری سی ایشن)
<b>8,930,365</b>	<b>17,810,585</b>	آپریٹنگ نفع
1,000,921	1,759,570	دیگر آمدنی
<b>9,931,286</b>	<b>19,570,155</b>	نفع قبل از منجمنٹ فیس
(496,564)	(978,508)	منجمنٹ فیس
(64,553)	(127,206)	منجمنٹ فیس پر سبز ٹیکس
<b>9,370,168</b>	<b>18,464,442</b>	نفع قبل از ٹیکس
(2,717,349)	(5,354,688)	ٹیکس
<b>6,652,820</b>	<b>13,109,754</b>	نفع بعد از ٹیکس
<b>0.48</b>	<b>0.77</b>	آمدنی فی سرٹیفکیٹ

### کاروبار اور معیشت کا جائزہ:

رواں مالی سال کی دوسری سہ ماہی میں رواں سال کی پہلی سہ ماہی اور گزشتہ سال کی آہی سہ ماہی کے مقابلے میں مضاربہ کی دونوں ٹاپ لائن اور منافع میں نمایاں بہتری دیکھنے میں آئی ہے۔ گزشتہ سال کے مقابلے میں مضاربہ نے آمدنی میں 44% اضافہ کے ساتھ ساتھ ڈیپری سی ایشن کے اخراجات میں خاطر خواہ کمی کا تجربہ کیا جس کے نتیجے میں اس عرصہ کے خالص منافع میں 97% اضافہ ہوا۔ اس سال کی پہلی سہ ماہی کے دوران مضاربہ نے 24.509 ملین کی مجموعی آمدنی کو برقرار رکھا جو سال بہ سال 44% فیصد اضافہ کی نمائندگی کرتا ہے۔ تاہم مجموعی منافع میں 9.368 ملین کا اضافہ ہوا۔ اس مدت کیلئے آمدنی فی سرٹیفکیٹ (ای پی سی) 0.77 بیسہ درج کی گئی ہے جو پچھلے سال کی آہی مدت کیلئے 0.48 بیسہ تھی۔



# Popular Islamic Modaraba

## An Islamic Financial Institution

گزشتہ ڈیڑھ سال کے دوران امریکی ڈالر اور پاکستانی روپیہ کی برابری مستحکم رہی اور مستقبل قریب میں بھی اسی طرح رہنے کی توقع ہے۔ ملک میں افراط زر کی شرح جنوری 2024 میں 28% سے کم ہو کر جنوری 2025 میں 4% ہو گئی ہے۔ جسکی وجہ سے ڈی-کاوڈنٹ ریٹ کو 22% سے کم کر کے 12% کر دیا گیا ہے۔ اس سے مضاربہ کے مستقبل کے منافع پر اثر پڑ سکتا ہے، تاہم اس کے حل کیلئے مضاربہ مختلف اسلامی فنڈنگ کی سہولیات فراہم کرے گا۔ ان حالات میں مضاربہ کو امید ہے کہ سال کی دوسری ششماہی میں بہترین انداز میں بہتر نتائج کو یقینی بنا یا جائے گا۔

### مستقبل کے امکانات:

بنیادی طور پر مضاربہ کی توجہ نئی فنڈنگ کے کاروبار پر ہے خاص طور پر ایس ایم ایز تاکہ منافع میں مزید اضافہ کیا جاسکے۔ ہماری کوشش ہے کہ اپنے وسائل کو استعمال کرتے ہوئے اپنی بیننس شیٹ کو بہتر بنائیں اور آہستہ آہستہ معیاری اثاثہ جات کا پورٹ فولیو بناتے رہیں۔ آپ کے مضاربہ کی انتظامیہ ان تمام دستیاب آپشن پر تحقیق کر رہی ہے جن سے مستقبل میں سرٹیفکیٹ ہولڈرز کے مفادات کا تحفظ کیا جاسکے۔ ہم مضاربہ کے نظام کو بہتر کرنے کے لئے ہر ممکن کوشش کر رہے ہیں۔ انشاء اللہ ہم اس اضافہ کے رجحان کو برقرار رکھیں گے اور مستقبل میں اپنے سرٹیفکیٹ ہولڈرز کو باقاعدگی سے منافع بھی ادا کریں گے جیسا کہ ہم کرتے آ رہے ہیں۔

### اعتراف:

مضاربہ مشکور ہے اپنے تمام قیمتی صارفین، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، این بی ایف آئی اینڈ مضاربہ ایسوسی ایشن آف پاکستان کی مسلسل حمایت، رہنمائی اور تعاون کیلئے اور مستقبل میں بھی اس کی امید رکھتا ہے۔

خصوصی شکر یہ ان تمام سرٹیفکیٹ ہولڈرز کا جنہوں نے ہم پر بھرپور اعتماد کیا۔

منجانب بورڈ

کامران حسین مغل

چیف ایگزیکٹو آفیسر

27 فروری 2025



# Popular Islamic Modaraba

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**MUNIFF ZIAUDDIN & CO.**  
Chartered Accountants

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Web: [bkrpakistan.com](http://bkrpakistan.com)

### Independent Auditors' Review Report

To the Certificate Holders of **Popular Islamic Modaraba**  
Report on review of Interim Financial Statements.

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Popular Islamic Modaraba** (the Modaraba) as at **31 December 2024**, the related condensed interim statement of profit and loss account and other comprehensive income, condensed interim statement of cash flow statement, condensed interim statement of changes in equity, and notes to the condensed interim financial statements for the six month period ended (here-in-after referred to as "the condensed interim financial statement"). The Modaraba Management Company [Popular Islamic Modaraba Management Company (Private) Limited] is responsible for the preparation and presentation of the condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

#### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial statements Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

#### Other matters

- i) The figures of the condensed interim statement of profit and loss account and other comprehensive income for the three month's period ended December 31, 2024 and December 31, 2023 have not been reviewed, as we required to review only the cumulative figures for the half year ended December 31, 2024.
- ii) The engagement partner on the review resulting in this independent auditor's report is Muhammad Moin Khan.

Chartered Accountants  
Karachi

Date: **February 27, 2025**

UDIN: **RR202410153zGcxhRvb9**

**BKR**  
INTERNATIONAL

Independent  
Member

Other Offices:  
Islamabad & Lahore





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**POPULAR ISLAMIC MODARABA  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT DECEMBER 31, 2024**

	Note	Un-Audited December 31, 2024 (Rupees)	Audited June 30, 2024 (Rupees)
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment - owned	4	18,607	32,453
Property and equipment - Ijarah	5	11,403,873	14,831,415
Diminishing musharaka financing	6	103,496,861	79,593,213
Deferred tax asset-net		3,206,335	3,206,335
		<b>118,125,676</b>	<b>97,663,416</b>
<b>CURRENT ASSETS</b>			
Murabaha finance	7	34,967,894	37,823,806
Current portion of diminishing Musharaka	6	70,578,369	33,708,297
Advances and other receivables		13,886,192	9,377,656
Cash and bank balances	8	5,403,058	54,080,582
		<b>124,835,514</b>	<b>134,990,341</b>
		<b>242,961,191</b>	<b>232,653,757</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized certificate capital 20,000,000 (June 2024: 14,000,000) modaraba certificates		<b>200,000,000</b>	<b>140,000,000</b>
<b>Certificate holders' equity</b>			
Certificate capital		200,000,000	140,000,000
Statutory reserve		28,982,350	29,225,542
Accumulated loss		(22,240,903)	(15,593,849)
Advance against equity		-	60,000,000
		<b>206,741,447</b>	<b>213,631,692</b>
<b>NON-CURRENT LIABILITIES</b>			
Security deposits against Ijarah	9	2,993,750	3,523,900
Deferred liability		2,124,103	2,344,720
		<b>5,117,853</b>	<b>5,868,620</b>
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities		4,908,637	1,329,083
Current portion of security deposit against Ijarah	9	530,150	696,800
Charity payable		677,553	677,553
Provision for taxation		8,447,676	6,402,191
Unclaimed profit distribution		3,206,141	2,321,797
Loan from management company		10,500,000	-
Management fee payable - net		2,505,960	1,527,453
Sales tax on management fee		325,775	198,569
<b>TOTAL LIABILITIES</b>		<b>31,101,892</b>	<b>13,153,445</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	10	<b>242,961,191</b>	<b>232,653,757</b>

The annexed notes form an integral part of these condensed interim financial statement.

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






**CHIEF EXECUTIVE OFFICER**    **CHIEF FINANCIAL OFFICER**    **DIRECTOR**    **DIRECTOR**



# Popular Islamic Modaraba

## An Islamic Financial Institution

**POPULAR ISLAMIC MODARABA**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

	Note	Six months period		Three months period	
		December 2024 (Rupees)	December 2023 (Rupees)	December 2024 (Rupees)	December 2023 (Rupees)
Income	11	24,509,535	17,049,468	15,345,491	9,744,517
Operating expenses		(3,902,690)	(3,768,194)	(1,975,185)	(1,984,738)
Depreciation of Ijarah Assets		(2,796,260)	(4,350,909)	(1,321,993)	(1,657,409)
Operating profit		17,810,585	8,930,365	12,048,313	6,102,370
Other Income	12	1,759,570	1,000,921	(494,641)	611,416
Profit before management fee		19,570,155	9,931,286	11,553,672	6,713,787
Management fee		(978,508)	(496,564)	(577,684)	(355,689)
Sales tax on management fee		(127,206)	(64,553)	(75,099)	(43,639)
Profit before taxation		18,464,442	9,370,168	10,900,890	6,334,458
Taxation		(5,354,688)	(2,717,349)	(3,161,258)	(1,836,993)
Profit after taxation		13,109,754	6,652,820	7,739,632	4,497,465
Other comprehensive income		-	-	-	-
Total comprehensive income		13,109,754	6,652,820	7,739,632	4,497,465
Earnings per certificate - basic & diluted	13	0.77	0.48	0.39	0.32

The annexed notes form an integral part of these condensed interim financial statement.

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
DIRECTOR



# Popular Islamic Modaraba

## An Islamic Financial Institution

**POPULAR ISLAMIC MODARABA**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

	For the six months period ended	
	December 2024 (Rupees)	December 2023 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	18,464,442	9,370,168
<b>Adjustments for:</b>		
Depreciation expense	13,846	33,079
Depreciation of assets leased out under ijarah	2,796,260	4,350,909
Gain on termination	-	(83,068)
Operating profit before working capital changes	2,810,106	4,300,920
<b>Changes in working capital</b>		
<b>Decrease / (Increase) in current assets</b>		
Advances and other receivables	(4,310,285)	3,201,799
<b>Increase/(decrease) in current liabilities</b>		
Accrued and other liabilities	3,579,554	1,105,063
Charity payable	-	116,729
Management fee payable	978,507	410,873
Sales tax on management fee	127,206	64,553
<b>Cash generated from operations</b>	4,685,267	1,697,219
Purchase of fixed assets- ijarah	21,649,529	18,570,106
Ijarah assets transfer-net	-	-
Security deposit from ijarah	631,282	4,070,327
Investment in murabaha finance- net	(696,800)	(3,388,050)
Investment in diminishing musharakah	2,855,912	17,478,592
Tax paid	(60,773,720)	(41,023,139)
Gratuity paid	(3,507,454)	(1,914,976)
	(220,617)	(229,719)
Net cash used in operating activities	(61,711,397)	(25,006,965)
	(40,061,868)	(6,436,859)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan from management company	10,500,000	47,000,000
Dividend paid	(19,115,656)	(6,049,667)
Net cash (used in) / generated from financing activities	(8,615,656)	40,950,333
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(48,677,524)	34,513,474
Cash and cash equivalents at the beginning of the period	54,080,582	8,412,360
<b>Cash and cash equivalents at the end of the period</b>	5,403,058	42,925,833

The annexed notes form an integral part of these condensed interim financial statement.

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



# Popular Islamic Modaraba

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**POPULAR ISLAMIC MODARABA**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

	Certificate Capital	Statutory Reserve	Unappropriated losses	Advance against equity	Total
----- (Rupees) -----					
Balance as at July 01, 2023	140,000,000	24,286,340	(28,970,858)	-	135,315,482
Total comprehensive income for the year	-	-	6,652,820	-	6,652,820
<b>Transaction with Certificate Holders</b>					
Final dividend at the rate Re. 0.4557 (4.557%) per certificate for the year ended June 30, 2023	-	-	(6,379,800)	-	(6,379,800)
Balance as at December 31, 2023	<u>140,000,000</u>	<u>24,286,340</u>	<u>(28,697,838)</u>	-	<u>135,588,502</u>
<b>Balance as at July 01, 2024</b>	<b>140,000,000</b>	<b>29,225,542</b>	<b>(15,593,849)</b>	<b>60,000,000</b>	<b>213,631,692</b>
Total comprehensive income for the year	-	-	13,109,754	-	13,109,754
<b>Transaction with Certificate Holders</b>					
Further issue of shares	60,000,000	-	-	(60,000,000)	-
Final dividend at the rate Re. 1 (1%) per certificate for the year ended June 30, 2024	-	(243,192)	(19,756,808)	-	(20,000,000)
<b>Balance as at December 31, 2024</b>	<u><b>200,000,000</b></u>	<u><b>28,982,350</b></u>	<u><b>(22,240,903)</b></u>	-	<u><b>206,741,447</b></u>

The annexed notes form an integral part of these condensed interim financial statement.

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR



# Popular Islamic Modaraba

## An Islamic Financial Institution

### POPULAR ISLAMIC MODARABA NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

#### 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 repealed Companies Ordinance, 1984 (now Companies Act, 2017) and registered with Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 406-410, 4th 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 Musharaka 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 BASIS OF PREPARATION

##### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act 2017;
- The requirements of Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas (hereinafter referred to as the relevant laws); and
- Provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017.

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, IFAS, the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 differ from IAS 34, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, IFAS, the Companies Act, 2017 and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP), under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017 have been followed.

The condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Modaraba as at and for the year ended June 30, 2024

##### 2.2 New standards, amendments to approved accounting standards and new interpretations

###### 2.2.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2025

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2024 but are considered not to be relevant or have any significant effect on the Modaraba's financial reporting.

###### 2.2.2 New standards and amendments to approved accounting standards that are effective for the Modaraba's accounting periods beginning on or after July 1, 2025

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or have any significant effect on the Modaraba's financial reporting.

#### 3 MATERIAL ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2024.

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2024.



# Popular Islamic Modaraba

## An Islamic Financial Institution

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
Note	-----Rupees-----	
<b>4 PROPERTY AND EQUIPMENTS - (OWNED)</b>		
Book value at the beginning of the period / year	32,453	89,151
Addition - at cost	-	-
Deletion - net	-	-
Depreciation charged	(13,846)	(56,698)
Book value at the end of the period / year	<u>18,607</u>	<u>32,453</u>
<b>5 PROPERTY AND EQUIPMENTS - (IJARAH)</b>		
Book value at the beginning of the period / year	14,831,415	26,798,053
Addition - at cost	-	-
Deletion - net	(631,282)	(5,162,120)
Depreciation charged	(2,796,260)	(6,804,518)
Book value at the end of the period / year	<u>11,403,873</u>	<u>14,831,415</u>
<b>6 LONG TERM INVESTMENTS - DIMINISHING MUSHARAKA</b>		
Investment under diminishing musharaka	174,075,230	113,301,510
Less: Current portion of diminishing musharaka	(70,578,369)	(33,708,297)
	<u>103,496,861</u>	<u>79,593,213</u>
<b>7 MORABAHA FINANCE</b>		
Considered good	7.1 34,967,894	37,823,806
Considered doubtful	-	-
	34,967,894	37,823,806
Provision against doubtful	-	-
	<u>34,967,894</u>	<u>37,823,806</u>
<b>7.1</b> The profit rates on these Murabaha arrangements ranges between 14.24% and 19.80% (June 30, 2024: 12.70% and 26.99%). These investments are secured against charge over fixed assets, registered and equitable mortgage of properties, personal guarantees of the directors of customer companies, demand promissory notes and postdated cheques varying from case to case.		
<b>8 CASH AND BANK BALANCES</b>		
In hand	133,370	116,520
<b>At banks</b>		
Deposit accounts	8.1 3,873,749	52,542,271
Dividend account	1,311,298	1,337,149
State Bank of Pakistan	84,642	84,642
	5,269,688	53,964,062
	<u>5,403,058</u>	<u>54,080,582</u>
<b>8.1</b> Deposit accounts are Shariah compliant and rate of profit on deposit accounts ranges from 5.02% to 5.34% (June 30, 2024: 6.75% to 7.25%) per annum.		
<b>9 SECURITY DEPOSITS AGAINST IJARAH</b>		
Security deposits	3,523,900	4,220,700
Less: Current portion of security deposits	(530,150)	(696,800)
	<u>2,993,750</u>	<u>3,523,900</u>
<b>10 CONTINGENCIES AND COMMITMENTS</b>		
<b>Contingencies</b>		
In the Banking Court Suit No. 2/2002 FIM v/s Trade & Others was decreed on 25-07-2003 in favor of Modaraba and Execution Application bearing No. 74/2003 was filed. Thereafter, In Honorable High Court of Sindh an Appeal (1st Appeal 67/2019) was filed for the same case. The case was fixed on January 20,2022, May 10, 2022, June 02, 2022 for clear the office objection. The last case was fixed on September 12,2024 for order, but "Discharged" by the Honorable court. The next date of the case is fixed on March 24,2025 by the roster fixation and the Modaraba's legal counsel is confident that the same will be decided in favor of the Modaraba.		
<b>Commitments</b>		
The Modaraba has no commitments as at December 31, 2024 (June 30, 2024: NIL).		



# Popular Islamic Modaraba

## An Islamic Financial Institution

	(Un-audited) December 31, 2024	(Un-audited) December 31, 2023
	-----Rupees-----	
<b>11 INCOME</b>		
Income on Murabaha	2,110,717	1,822,367
Income on Ijarah	4,047,235	5,976,036
Income on Diminishing Musharaka	<u>18,351,584</u>	<u>9,251,066</u>
	<u>24,509,535</u>	<u>17,049,468</u>
<b>12 OTHER INCOME</b>		
Profit on deposit accounts	1,321,674	788,089
Gain on early termination of diminishing musharaka / ijarah	-	83,068
Other income - processing fee	<u>437,896</u>	<u>129,764</u>
	<u>1,759,570</u>	<u>1,000,921</u>
<b>13 EARNINGS PER CERTIFICATE - BASIC &amp; DILUTED</b>		
There is no dilutive effect on earnings per certificate which is based on:		
	<b>For the six months ended</b>	<b>For the three months ended</b>
	December 31, 31, 2024	December 31, 2024
	December 31, 2023	December 31, 2023
	----- Rupees-----	
Profit after taxation	<u>13,109,754</u>	<u>6,652,820</u>
Weighted average number of ordinary shares outstanding during the period	<u>17,000,000</u>	<u>14,000,000</u>
Earnings per share - basic & dilutive	<u>0.77</u>	<u>0.48</u>
	<u>7,739,632</u>	<u>4,497,465</u>
	<u>20,000,000</u>	<u>14,000,000</u>
	<u>0.39</u>	<u>0.32</u>



# Popular Islamic Modaraba

## An Islamic Financial Institution

### 14 INFORMATION ABOUT BUSINESS SEGMENTS

	For The Six months period Ended December 31, 2024				
	Musharaka	Ijarah	Murabaha	Others	Total
	----- Rupees -----				
<b>Segments Revenue</b>	<b>18,351,584</b>	<b>4,047,235</b>	<b>2,110,717</b>	<b>1,759,570</b>	<b>26,269,105</b>
<b>Segments results</b>					
Segments income	18,351,584	4,047,235	2,110,717	1,759,570	26,269,105
Operating Expenses	(2,726,417)	(601,281)	(313,580)	(261,412)	(3,902,690)
Depreciation on property and equipment - Ijarah	-	(2,796,260)	-	-	(2,796,260)
Management fee and sales tax	-	-	-	(1,105,714)	(1,105,714)
<b>Segment results</b>	<b>15,625,167</b>	<b>649,694</b>	<b>1,797,137</b>	<b>392,444</b>	<b>18,464,442</b>

	For The Six months period Ended December 31, 2023				
	Musharaka	Ijarah	Murabaha	Others	Total
	----- Rupees -----				
<b>Segments Revenue</b>	9,251,066	5,976,036	1,822,367	1,000,921	18,050,389
<b>Segments results</b>					
Segments income	9,251,066	5,976,036	1,822,367	1,000,921	18,050,389
Operating Expenses	(1,931,250)	(1,247,556)	(380,437)	(208,951)	(3,768,194)
Depreciation on property and equipment - Ijarah	-	(4,350,909)	-	-	(4,350,909)
Management fee and sales tax	-	-	-	(561,118)	(561,118)
<b>Segment results</b>	<b>7,319,816</b>	<b>377,571</b>	<b>1,441,930</b>	<b>230,852</b>	<b>9,370,168</b>

	As At December 31, 2024				
	Musharaka	Ijarah	Murabaha	Others	Total
	----- Rupees -----				
<b>Other information</b>					
Capital expenditure	60,773,720	-	-	-	60,773,720
Depreciation on property and equipment - Ijarah	-	(2,796,260)	-	-	(2,796,260)
<b>Assets and liabilities</b>					
<b>Segments assets</b>					
Segments assets	174,075,230	11,403,873	34,967,894	13,886,192	234,333,189
Unallocated assets	-	-	-	8,628,000	8,628,000
<b>Total segments assets</b>	<b>174,075,230</b>	<b>11,403,873</b>	<b>34,967,894</b>	<b>22,514,193</b>	<b>242,961,191</b>
<b>Segment liabilities</b>					
Security deposits	-	3,523,900	-	-	3,523,900
Loan from management company	-	-	-	10,500,000	10,500,000
Unallocated liabilities	-	-	-	22,195,845	22,195,845
<b>Total segment liabilities</b>	<b>-</b>	<b>3,523,900</b>	<b>-</b>	<b>32,695,845</b>	<b>36,219,745</b>
<b>Total net assets</b>					<b>206,741,447</b>

	As At June 30, 2024				
	Musharaka	Ijarah	Murabaha	Others	Total
	----- Rupees -----				
<b>Other information</b>					
Capital expenditure	65,130,580	-	-	-	65,130,580
Depreciation on property and equipment - Ijarah	-	(6,804,518)	-	-	(6,804,518)
<b>Assets and liabilities</b>					
<b>Segments assets</b>					
Segments assets	113,301,510	14,831,415	37,823,806	9,377,656	175,334,387
Unallocated assets	-	-	-	57,319,370	57,319,370
<b>Total segments assets</b>	<b>113,301,510</b>	<b>14,831,415</b>	<b>37,823,806</b>	<b>66,697,026</b>	<b>232,653,757</b>
<b>Segment liabilities</b>					
Security deposits	-	4,220,700	-	-	4,220,700
Unallocated liabilities	-	-	-	14,801,366	14,801,366
<b>Total segment liabilities</b>	<b>-</b>	<b>4,220,700</b>	<b>-</b>	<b>14,801,366</b>	<b>19,022,065</b>
<b>Total net assets</b>					<b>213,631,692</b>





# Popular Islamic Modaraba

## An Islamic Financial Institution

### 15 RELATED PARTY TRANSACTIONS

The related parties comprise of associated undertakings, directors of the Modaraba Management Company. The Modaraba, in the normal course of business

Name of the related party	Nature of transactions	Relationship	(Un-audited)	
			December 31, 2024 Rupees	December 31, 2023 Rupees
Popular Islamic Modaraba Management Company (Pvt) Ltd.	Modaraba management fee paid	Associated Company	978,508	496,564
	Sales tax on modaraba management fee	Associated Company	127,206	64,553
	Dividend Paid	Associated Company	9,830,249	2,535,911
	Loan from modaraba management company	Associated Company	10,500,000	47,000,000
			(Un-audited) December 31, 2024	(Audited) June 30, 2024
Popular Islamic Modaraba Management Company (Pvt) Ltd.	<b>Balance as at the year end</b>			
	Loan payable to modaraba management company	Associated Company	10,500,000	-
	Modaraba management fee payable	Associated Company	2,505,960	1,527,453
	Sales tax on modaraba management fees payable	Associated Company	325,775	198,569
	Gratuity payable	Gratuity scheme	2,124,103	2,344,720
	Advance against equity	Associated Company	-	60,000,000

### 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Modaraba is going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' requires the Modaraba to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the assets or liability that are not based on observable market data (i.e., unobservable inputs) (level 3).

#### Fair value hierarchy;

As at December 31, 2024, there were no financial instruments which were measured at fair values in the financial statements.

### 17 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison, however, no significant re-classifications / re-statements have been made to these condensed interim financial statements.

### 18 DATE FOR AUTHORIZATION FOR ISSUE

The condensed interim financial statements have been approved and authorized for issue on 27 FEB 2025 by the Board of Directors of the Modaraba Management Company.

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

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
  
DIRECTOR