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## Modaraba Information

### Modaraba Company

Eman Management (Private) Limited

### Directors of Modaraba Company

Mr. Muhammad Saeed  
Chairman

Mr. Giasuddin Khan  
Chief Executive

Mr. Joozer Jiwa Khan  
Non-Executive Independent Director

Mr. Nasim Ahmed  
Non-Executive Director

Mr. Ali Akbar Abdullah  
Non-Executive Director

### Chief Financial Officer

Mr. Abid Hussain Awan

### Company Secretary

Mr. M Jamal Ahmedani

### Head of Internal Audit

Ms. Oraiba Shehzad

### Audit Committee

Mr. Joozer Jiwa Khan  
Chairman

Mr. Nasim Ahmed  
Member

Mr. Ali Akbar Abdullah  
Member

### Human Resource and Remuneration Committee

(HR&R Committee)

Mr. Joozer Jiwa Khan  
Chairman

Mr. Nasim Ahmed  
Member

Mr. Giasuddin Khan  
Member

Mr. Ali Akbar Abdullah  
Member

### Sharia Advisor

Mufti Ibrahim Essa

### Auditors

BDO Ebrahim & Co

### Bankers / Financial Institutions

Bank Islami Pakistan Limited

MCB Islamic Bank Limited

HLB Islamic Bank

Bank of Khyber

Meezan Bank Limited

National Bank of Pakistan

Askari Bank Limited

Faysal Bank Limited

### Legal Advisor

Mr. M Hashim Lodhi

### Registered Office

Plot # 9, Sector 24

Korangi Industrial Area, Karachi

Phone: 021 - 111 - 676 - 676

### Registrar & Share Registration Office

Central Depository Company of Pakistan Limited

CDC House, 99-B, Block B, SMCHS

Main Shahrah-e-Faisal, Karachi

## **Vision:**

To become the outsourcing solution provider of choice in the markets we serve.

## **Mission:**

A dynamic, diverse and growth oriented modaraba delivering competitive outsourcing solutions for our customers through a network of professionals ensuring rewards to our stakeholders while fulfilling our corporate social responsibilities.

## DIRECTORS' REPORT

The Board of Directors of EMAN Management (Private) Limited ("EMAN"), the Management Company of Orient Rental Modaraba ("Modaraba"), has pleasure in presenting un-audited condensed interim financial statements for the quarter ended September 30, 2019. The financial highlights are as follows:

Financial Highlights	September 30, 2019 Rupees	September 30, 2018 Rupees
Revenue	299,802,069	308,522,528
Expenses - net	(283,345,422)	(280,790,782)
Profit before Management Fee	16,456,647	27,731,746
Management Company's Remuneration and other provision	(2,151,542)	(3,625,649)
Profit before & after Taxation	14,305,105	24,106,097
Un-appropriated profit brought forward	87,638,831	57,200,849
Transfer to Statutory Reserve @ 20% of profit (2018 @20%)	(2,861,021)	(4,821,219)
Profit distribution for the year ended June 30, 2019 @ Rs. 1.00 per Certificate (June 30, 2018 @ Rs. 0.69 per Certificate)	(75,000,000)	(51,750,000)
Un-appropriated profit carry forward	24,082,915	24,735,727
Earnings per Certificate – Basic and Diluted	0.19	0.32
Break up value per certificate	10.82	10.59

## Review of Operations

The overall market situation in the Country during the quarter under review was not very conducive for augmentation of business due to certain negative factors like increase in interest rate, rapid devaluation of Rupee and high cost of imports and replacement of capital spares. These all factors have adversely eaten up the margin of Modaraba and as a result current quarter witnessed an overall decline in revenue generation and profitability of your Modaraba. The revenue of the Modaraba has dropped in the current period to Rs. 299.80 million vis-à-vis Rs. 308.52 million for the corresponding period.

Since last September, the Modaraba has made sufficient investment in capital asset which resulted in increased depreciation charge resulting in increased operating cost of Rs. 251.20 million vis-à-vis 242.53 million for the corresponding period. Due to above reasons the gross profit margin of Modaraba has decreased to 16.2% vis-à-vis 21.4% for the corresponding period.

The Modaraba intends to distribute 90% of its profit, as reduced by transfer to statutory reserves, to its certificate holders and therefore no provision on account of taxation is made in these condensed interim financial information.

## Prospects

In order to mitigate the current negative trends in the rental generators market, which are not likely to improve in coming quarters, the management of the Modaraba has decided to diversify and to shift its focus on Earth Moving Equipment which are expected to generate healthier margin.

ORM is well positioned as a progressive Modaraba and we shall continue working towards quality growth and best return to our investors. Our focused strategy remains towards accomplishment of steady performance under the challenging business environment through expanding quality customer base and outreach. We aim to continue with our efforts to maximize cost efficiencies focusing on greater synergy amongst our various functions. Our emphasis will be on delivering consistent returns to our investors, while maintaining enhanced service standards.

## Acknowledgement

The Board wishes to place on record its sincere appreciation to the Registrar Modaraba, Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange, Consultants for their cooperation, support and guidance from time to time continued business for the Modaraba.

The Board also places on record its sincere gratitude to the certificate holders who have remained committed to the Orient Group and the employees of the Modaraba for their contribution and efforts to meet customer's expectation by providing quality service, ensuring continued business for the Modaraba.

*Qasim Khan*

Chief Executive Officer

October 28, 2019



Director



FOCUSED ON SOLUTIONS

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

	Note	Un-audited September 30, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	3	1,097,646,348	1,195,745,908
Intangible assets		361,979	404,744
Preliminary expenses and floatation costs	4	8,966,763	11,955,684
Long term deposits		4,698,000	4,698,000
		<u>1,111,673,090</u>	<u>1,212,804,336</u>
<b>Current assets</b>			
Stores, spares and loose tools		33,226,803	26,632,841
Receivables	5	173,172,288	168,781,263
Loans, advances and other receivables	6	43,225,564	35,629,597
Tax refunds due from Government		127,410,127	124,674,355
Cash and bank balances		63,953,630	38,865,706
		<u>440,988,412</u>	<u>394,583,762</u>
Assets classified as held for sale		123,959,957	-
<b>TOTAL ASSETS</b>		<b><u>1,676,621,459</u></b>	<b><u>1,607,388,098</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Authorised capital			
75,000,000 certificates of Rs. 10 each		<u>750,000,000</u>	<u>750,000,000</u>
Issued subscribed and paid-up certificate capital		750,000,000	750,000,000
Statutory reserves		37,708,228	34,847,207
Unappropriated profit		<u>24,082,915</u>	<u>87,638,831</u>
		811,791,143	872,486,038
<b>Non-current liabilities</b>			
Diminishing musharaka financing	7	282,638,668	291,250,000
<b>Current liabilities</b>			
Current maturity of diminishing musharaka financing	7	163,333,333	160,000,000
Payable to Modaraba Management Company	8	13,464,336	11,818,671
Creditors, accrued and other liabilities	9	330,303,110	271,730,128
Dividend payable		75,090,869	103,261
		<u>582,191,648</u>	<u>443,652,060</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,676,621,459</u></b>	<b><u>1,607,388,098</u></b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

**For Eman Management (Private) Limited  
(Modaraba Management Company)**

*E. asuddin Khan*  
Chief Executive Officer

*M. S. Saeed*  
Director

*Nasir Ahmad*  
Director

*Arif Ali*  
Chief Financial Officer

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

	Note	September 30, 2019 (Rupees)	September 30, 2018 (Rupees)
Ijarah rentals - net		188,023,524	206,281,252
Operation and maintenance income - net		111,778,545	102,241,276
		<u>299,802,069</u>	<u>308,522,528</u>
Operating expenses	11	<u>251,165,714</u>	<u>242,527,920</u>
Gross Profit		48,636,355	65,994,608
Income on deposits with banks		517,761	603,483
Gain on disposal of fixed assets		3,811	-
		<u>49,157,927</u>	<u>66,598,091</u>
Administrative expenses	12	15,852,300	6,518,564
Marketing expenses		480,505	881,420
Preliminary expenses and floatation costs		2,988,921	2,988,921
Finance costs		13,858,364	9,314,290
(Reversal) /Provision against potential ijarah losses and operation and maintenance income		(478,810)	19,163,150
		<u>32,701,280</u>	<u>38,866,345</u>
		16,456,647	27,731,746
Modaraba Management Company's fee		1,645,665	2,773,175
Provision for Sindh Sales tax on Modaraba Management fees		213,936	360,513
Provision for Sindh Workers' Welfare Fund		291,941	491,961
Profit before taxation		14,305,105	24,106,097
Taxation	13	-	-
Profit for the period		<u>14,305,105</u>	<u>24,106,097</u>
Earnings per certificate - basic and diluted		<u>0.19</u>	<u>0.32</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

**For Eman Management (Private) Limited  
(Modaraba Management Company)**

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	<b>Note</b>	<b>September 30, 2019 (Rupees)</b>	<b>September 30, 2018 (Rupees)</b>
Profit for the period		14,305,105	24,106,097
Other comprehensive income		-	-
Total comprehensive income for the period		<u>14,305,105</u>	<u>24,106,097</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

**For Eman Management (Private) Limited  
(Modaraba Management Company)**

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer



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

	Unaudited September 30, 2019 (Rupees)	Unaudited September 30, 2018 (Rupees)
Note		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	14,305,105	24,106,097
Adjustments for non-cash and other items:		
Depreciation on fixed assets	42,799,018	27,445,141
Amortisation on intangible assets	42,765	-
Preliminary expenses and floatation costs	2,988,921	2,988,921
Provision against potential ijarah losses and operation and maintenance income	(478,810)	19,163,150
Finance costs	13,858,364	9,314,290
(Gain) / loss on disposal of fixed assets	(3,811)	-
Provision for Sindh Workers' Welfare Fund	291,941	491,961
Profit on bank deposits	(517,761)	(603,483)
	58,980,627	58,799,980
Operating profit before working capital changes	73,285,732	82,906,077
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	(6,593,962)	(3,589,657)
Receivables	(3,912,215)	(19,157,703)
Loans, advances and other receivables	(7,442,149)	(1,842,804)
Tax refunds due from Government	(2,735,772)	(27,404,211)
<b>Increase / (decrease) in current liabilities</b>		
Payable to Modaraba Management Company	1,645,665	1,024,657
Creditors, accrued and other liabilities	58,828,903	(8,228,890)
Profit paid on diminishing musharaka financing	(14,406,226)	(9,240,831)
Net cash generated from operating activities	98,669,976	14,466,638
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets	(68,802,917)	(12,159,094)
Sale proceeds on disposal of fixed assets	147,313	-
Profit on bank deposits	363,943	398,191
Net cash used in investing activities	(68,291,661)	(11,760,903)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Diminishing musharaka financing received	33,055,335	-
Repayment of Diminishing musharaka financing	(38,333,334)	-
Dividend paid	(12,392)	-
Net cash used in financing activities	(5,290,391)	-
Net increase / decrease in cash and cash equivalents	25,087,924	2,705,735
Cash and cash equivalents at beginning of period	38,865,706	46,122,049
Cash and cash equivalents at end of period	63,953,630	48,827,784

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

**For Eman Management (Private) Limited  
(Modaraba Management Company)**

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	<b>Paid-up certificate capital (Rupees)</b>	<b>Statutory reserve * (Rupees)</b>	<b>Unappropriated profit (Rupees)</b>	<b>Total (Rupees)</b>
Balance as at July 01, 2018	750,000,000	14,300,212	57,200,849	821,501,061
Profit for the period	-	-	24,106,097	24,106,097
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	24,106,097	24,106,097
Profit distribution for the year ended June 30, 2018 @ Re. 0.69 per certificate	-	-	(51,750,000)	(51,750,000)
Transfer to statutory reserve	-	4,821,219	(4,821,219)	-
Balance as at September 30, 2018	750,000,000	19,121,431	24,735,727	793,857,158
Balance as at July 01, 2019	750,000,000	34,847,207	87,638,831	872,486,038
Profit for the period	-	-	14,305,105	14,305,105
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	14,305,105	14,305,105
Profit distribution for the year ended June 30, 2019 @ Re. 1.00 per certificate	-	-	(75,000,000)	(75,000,000)
Transfer to statutory reserve	-	2,861,021	(2,861,021)	-
Balance as at September 30, 2019	750,000,000	37,708,228	24,082,915	811,791,143

\*Statutory reserve represents profit set aside to comply with Prudential Regulation for Modarabas issued by Securities and Exchange Commission of Pakistan

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

**For Eman Management (Private) Limited  
(Modaraba Management Company)**

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

### 1 NATURE AND STATUS OF BUSINESS

Orient Rental Modaraba (the Modaraba) is a multipurpose and perpetual modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by Eman Management (Private) Limited (the Modaraba Management Company). The Modaraba Management Company is incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is registered with the Registrar of Modaraba Companies and Modaraba under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The Modaraba was formally listed on November 17, 2017 on Pakistan Stock Exchange Limited. After receiving the certificate of minimum subscription the Modaraba commenced its operations with effect from November 24, 2017. The Registered Office is situated at Plot # 9, Sector 24, Korangi Industrial Area, Karachi and the head office is located at Al-Tijarah Center, 15th floor Shahra-e-Faisal, Karachi. The Modaraba is primarily engaged in the business of ijarah, operation and maintenance services.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

2.1.1 These condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting", Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) [the Modaraba Regulations] together with approved accounting standards as applicable in Pakistan to Modarabas. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) and Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Act, 2017 and made applicable to Modarabas under 'the Modaraba Regulations'. Wherever the requirements of 'the Modaraba Regulations' differ from the requirements of these standards, the requirements of 'the Modaraba Regulations' take precedence.

2.1.2 These condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2019.

2.1.3 The comparative balance sheet, presented in this financial information, has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2019 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim of changes in equity and the related notes thereto, for the quarter ended have been extracted from the condensed interim financial information for the period then ended.

#### 2.2 Basis of measurement

These condensed financial information has been prepared under the historical cost convention.

These condensed financial information has been prepared following accrual basis of accounting except for cash flow information.

#### 2.3 Functional and presentation currency

Items included in these condensed interim financial information of the Modaraba are measured using the currency of the primary economic environment in which the Modaraba operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

## 2.4 Significant accounting policies

The accounting policies adopted in preparation of this condensed financial information are same as those that were applied in the preparation of annual audited financial statements of the Modaraba for the year ended June 30, 2019.

## 2.5 Significant accounting estimates and judgements

The preparation of these condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Modaraba's accounting policies. Estimates and judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with significant risk of material adjustment were same as those that were applied to the audited financial statements for the year ended June 30, 2019.

## 2.6 Risk management policies

The Modaraba's risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Modaraba for the year ended June 30, 2019.

## 2.7 Segment reporting

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating

The Modaraba has determined the operating segments based on the reports reviewed by the Chief Executive Officer, which are used to make strategic decisions.

	<b>Note</b>	<b>Un-audited September 30, 2019 (Rupees)</b>	<b>Audited June 30, 2019 (Rupees)</b>
<b>3 FIXED ASSETS</b>			
Operating fixed assets		1,047,829,038	1,187,432,747
Capital work in progress		49,817,310	8,313,161
		<u>1,097,646,348</u>	<u>1,195,745,908</u>

3.1 Following is the statement of fixed assets:

	Ijarah									
	Generators	Accessories	Machinery & Equipments	Sub-total	Electronic Appliances	Motor vehicles	Furniture and Fixtures	Generators	Leasehold improvements	Total
<b>Period ended September 30, 2019</b>										
<b>Net carrying value basis</b>										
Opening net book value	1,047,923,367	65,167,951	21,564,221	1,134,655,539	8,985,646	14,243,526	2,992,884	1,530,054	25,025,098	1,187,432,747
Additions	5,581,728	17,705,214	1,000,000	24,286,942	1,182,397	49,000	139,410	-	1,641,019	27,298,768
Disposals -NBV	-	-	-	-	-	(143,502)	-	-	-	(143,502)
Non-current assets held for sale - NBV	(123,959,957)	-	-	(123,959,957)	-	-	-	-	-	(123,959,957)
Depreciation	(33,232,536)	(4,688,320)	(829,315)	(38,750,171)	(1,178,272)	(573,094)	(198,582)	(65,574)	(2,033,325)	(42,799,018)
<b>Closing net book value</b>	<b>896,312,602</b>	<b>78,184,845</b>	<b>21,734,906</b>	<b>996,232,353</b>	<b>8,989,771</b>	<b>13,575,930</b>	<b>2,933,712</b>	<b>1,464,480</b>	<b>24,632,792</b>	<b>1,047,829,038</b>
<b>Gross carrying value basis</b>										
Cost	1,103,617,047	97,359,739	24,328,813	1,225,305,599	13,007,705	16,636,842	3,258,575	1,639,344	28,849,225	1,288,697,290
Accumulated depreciation	(207,304,445)	(19,174,894)	(2,593,907)	(229,073,246)	(4,017,934)	(3,060,912)	(324,863)	(174,864)	(42,164,333)	(240,868,252)
<b>Net book value</b>	<b>896,312,602</b>	<b>78,184,845</b>	<b>21,734,906</b>	<b>996,232,353</b>	<b>8,989,771</b>	<b>13,575,930</b>	<b>2,933,712</b>	<b>1,464,480</b>	<b>24,632,792</b>	<b>1,047,829,038</b>
<b>Year ended June 30, 2019</b>										
<b>Net carrying value basis</b>										
Opening net book value	1,056,501,422	52,194,683	-	1,108,696,105	2,321,715	13,537,825	-	-	-	1,124,555,645
Additions	98,264,438	23,965,616	23,328,813	145,558,867	9,259,593	2,870,900	3,119,165	1,639,344	27,208,206	189,656,075
Disposals -NBV	(2,564,553)	-	-	(2,564,553)	-	-	-	-	-	(2,564,553)
Depreciation	(104,277,940)	(10,992,348)	(1,764,592)	(117,034,880)	(2,595,662)	(2,165,199)	(126,281)	(109,290)	(2,183,108)	(124,214,420)
<b>Closing net book value</b>	<b>1,047,923,367</b>	<b>65,167,951</b>	<b>21,564,221</b>	<b>1,134,655,539</b>	<b>8,985,646</b>	<b>14,243,526</b>	<b>2,992,884</b>	<b>1,530,054</b>	<b>25,025,098</b>	<b>1,187,432,747</b>
<b>Gross carrying value basis</b>										
Cost	1,228,455,319	79,654,525	23,328,813	1,331,438,657	11,825,308	16,738,342	3,119,165	1,639,344	27,208,206	1,391,969,022
Accumulated depreciation	(180,531,952)	(14,486,574)	(1,764,592)	(196,783,118)	(2,839,662)	(2,494,816)	(126,281)	(109,290)	(2,183,108)	(204,536,275)
<b>Net book value</b>	<b>1,047,923,367</b>	<b>65,167,951</b>	<b>21,564,221</b>	<b>1,134,655,539</b>	<b>8,985,646</b>	<b>14,243,526</b>	<b>2,992,884</b>	<b>1,530,054</b>	<b>25,025,098</b>	<b>1,187,432,747</b>

3.2 Breakup of depreciation is as follows:

Note	(Unaudited)		(Audited)	
	September 30, 2019	(Rupees)	June 30, 2019	(Rupees)
Operating expenses	11	42,046,091	123,798,470	
Administrative expenses	12	752,927	415,950	
		42,799,018	124,214,420	

	Note	Un-audited September 30, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
<b>4 PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
Preliminary expenses and floatation costs		11,955,684	23,911,368
Less: Amortization during the period		(2,988,921)	(11,955,684)
		<u>8,966,763</u>	<u>11,955,684</u>
4.1 Preliminary expenses and floatation costs are being amortised over the period of 3 years as per Third Schedule of Modaraba Companies and Modaraba Rules, 1981.			
<b>5 RECEIVABLES</b>			
(Unsecured)			
Ijarah rental receivables		124,962,549	116,755,041
Operation and maintenance income receivables		48,209,739	52,026,222
		<u>173,172,288</u>	<u>168,781,263</u>
5.1 Ijarah rental receivables			
Considered good		103,097,494	89,513,124
Non-performing portfolio (classified portfolio)		43,862,131	50,114,170
Less: provision against potential ijarah losses		(21,997,076)	(22,872,253)
		<u>21,865,055</u>	<u>27,241,917</u>
		<u>124,962,549</u>	<u>116,755,041</u>
5.2 Operation and maintenance income receivables			
Considered good		41,369,592	50,988,253
Non-performing portfolio (classified portfolio)		30,865,659	24,667,114
Less: provision against potential loss on operation and maintenance income receivable		(24,025,512)	(23,629,145)
		<u>6,840,147</u>	<u>1,037,969</u>
		<u>48,209,739</u>	<u>52,026,222</u>
<b>6 LOANS, RECEIVABLES AND OTHER RECEIVABLES</b>			
Sales tax adjustable		12,531,075	14,532,622
Loans and advances to staff		6,768,268	5,225,297
Earnest money		2,477,268	2,548,935
Advances and prepayments		12,507,411	9,858,225
Security deposits		4,692,500	787,422
Insurance claim receivable		4,024,887	2,606,759
Profit receivable from bank deposits		224,155	70,337
		<u>43,225,564</u>	<u>35,629,597</u>

	Note	Un-audited September 30, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
<b>7 DIMINISHING MUSHARAKA FINANCING</b>			
(Secured)			
Diminishing musharaka financing		445,972,001	451,250,000
Due within one year		(163,333,333)	(160,000,000)
		<u>282,638,668</u>	<u>291,250,000</u>
<b>7.1 Movement in diminishing musharaka financing during the period</b>			
Balance as at July 01,		451,250,000	460,000,000
Diminishing musharaka financing obtained during the period / year		33,055,335	40,000,000
Repaid during the period / year		(38,333,334)	(48,750,000)
Balance as at		<u>445,972,001</u>	<u>451,250,000</u>
<b>7.2</b> The diminishing musharaka financing is for a period of 4 years and is secured against hypothecation of generators and accessories. This finance carries profit at the rate of 1 year KIBOR + 1.5% per annum payable on quarterly basis commencing from the date of disbursement. Principal repayments are on quarterly basis commencing after one year from the date of disbursement.			
<b>8 PAYABLE TO MODARABA MANAGEMENT COMPANY</b>			
Remuneration to Modaraba Management Company		<u>13,464,336</u>	<u>11,818,671</u>
<b>9 CREDITORS, ACCURED AND OTHER PAYABLES</b>			
Creditors for spare parts and fixed assets		89,761,869	117,257,596
Ijarah rental payable		23,103,792	23,103,792
Services and maintenance charges payable		27,315,283	15,911,070
Advances / deposits with customers		87,609,764	19,643,030
Withholding income and sales tax payable		14,837,480	11,229,757
Accrued liabilities		25,634,396	25,218,185
Payable to Provident Fund		6,779,192	3,849,443
Accrued profit on diminishing musharaka financing		7,692,561	8,240,423
Provision for Sindh Workers' Welfare Fund		3,847,778	3,555,837
Provision for bonus		43,720,995	43,720,995
		<u>330,303,110</u>	<u>271,730,128</u>
<b>10 CONTINGENCIES AND COMMITMENTS</b>			
<b>10.1 Contingencies</b>			
There were no contingencies as at September 30, 2019 and June 30, 2019.			

## 10.2 Commitments

### 10.2.1 Contractual rentals receivable on Ijarah contracts

Future minimum ijarah receivables on the basis of ijarah agreements executed up to September 30, 2019 are as follows:

	<b>Ijarah rentals receivables September 30, 2019 (Rupees)</b>	<b>Ijarah rentals receivables June 30, 2019 (Rupees)</b>
Receivables - not later than one year	331,035,806	316,834,646
Receivables - later than one year and not later than five years	10,680,000	8,030,000
	<u>341,715,806</u>	<u>324,864,646</u>
	<b>Operation and maintenance income receivables September 30, 2019 (Rupees)</b>	<b>Operation and maintenance income receivables June 30, 2019 (Rupees)</b>
Receivables - not later than one year	156,663,930	80,231,058
Receivables - later than one year and not later than five years	-	-
	<u>156,663,930</u>	<u>80,231,058</u>

### 10.2.2 Contractual rentals payable on Ijarah contracts

The Modaraba has obtained 69 generators on Ijarah from ORIX Leasing Pakistan Limited (OLP) for a period of three years with quarterly rental installment of Rs. 46.087 million. M/s Orient Energy Systems (Private) Limited has provided bank (performance) guarantee to ORIX Leasing Pakistan Limited amounting to Rs. 55.74 million on behalf of the Modaraba. Future minimum ijarah payables on the basis of ijarah agreements executed up to September 30, 2019 (June 30, 2019) are as follows:

	<b>Ijarah rentals payables September 30, 2019 (Rupees)</b>	<b>Ijarah rentals payables June 30, 2019 (Rupees)</b>
Receivables - not later than one year	184,350,504	184,350,504
Receivables - later than one year and not later than five years	46,087,626	92,175,252
	<u>230,438,130</u>	<u>276,525,756</u>



		Un-audited September 30, 2019 (Rupees)	Un-audited September 30, 2018 (Rupees)
	Note		
<b>11 OPERATING EXPENSES</b>			
Salaries and allowances	11.1	127,930,367	127,225,662
Repair, maintenance and related cost		17,518,720	28,448,109
Depreciation		42,046,091	27,353,667
Ujrah payments		46,087,626	43,298,025
Insurance		13,158,617	14,774,263
Travelling and conveyance		4,424,293	1,428,194
		<u>251,165,714</u>	<u>242,527,920</u>

11.1 This includes contribution of Rs. 3.904 million (September 30, 2018: Rs. 2.273 million) to the staff provident fund.

<b>12 ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits	12.1	8,656,962	3,705,961
Education and training		86,448	-
Utilities, postage and communication		1,826,660	629,208
Printing and stationery		220,671	196,280
Depreciation		752,927	91,474
Fee and subscription		1,091,979	129,805
Legal and professional charges		1,389,713	1,239,817
Advertisement		339,829	3,140
Cleaning and maintenance		353,301	170,007
IT related services		847,500	-
Amortisation of intangible assets		42,765	-
Other expenses		243,545	352,872
		<u>15,852,300</u>	<u>6,518,564</u>

12.1 This includes contribution of Rs. 0.355 million (September 30, 2018: Rs. 0.147 million) to the staff provident fund.

### 13 TAXATION

As per the Second Schedule to the Income Tax Ordinance, 2001, any income, not being income from manufacturing or trading activity of a Modaraba registered under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, is exempt from income tax provided that it distributes at least 90% of its profits to its certificate holders for the year after making appropriation to statutory reserves. The Modaraba intends to avail this exemption by distributing 90% of its profit to its certificate holders after making appropriation to statutory reserves for the year ended June 30, 2020. Accordingly, no provision in respect of current and deferred taxation has been made in these condensed interim financial information.

### 14 UTILIZATION OF PROCEEDS OF INITIAL PUBLIC OFFERING

The break-up of utilization of proceeds of initial public offering is being presented under the requirements of Regulation 16 of Chapter VIII of Public Offering Regulations, 2017. The Modaraba has utilized the proceeds from initial public offering as follows:

	<b>Un-audited September 30, 2019 (Rupees)</b>	<b>Audited June 30, 2019 (Rupees)</b>
Proceeds realized	750,000,000	750,000,000
Purchase of plant and equipment (inclusive of sales tax)	750,000,000	750,000,000
Held for working capital, purchase of additional assets and reimbursement of preliminary expenses	-	-
	<u>750,000,000</u>	<u>750,000,000</u>

### 15 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include a Subsidiary Company, Modaraba Management Company, Associated Companies with or without common directors, retirement benefit funds, directors, and key management personnel.

The Modaraba has related party relationship with its Modaraba Management Company, Associated Undertakings, Employee Benefit Plans, and its Key Management Personnel.

A number of transactions are entered into with related parties in the normal course of business. These include purchase of assets and sharing of common expenses, if any.

The detail of transactions with related parties and balances with them is given below:

			Un-audited September 30, 2019 (Rupees)	Un-audited September 30, 2018 (Rupees)
Name of related party	Relationship	Nature of transactions		
15.1	Transactions during the period			
Associated company				
Orient Energy Systems (Private) Limited	Associated undertaking	Purchase / overhauling of:		
		- generators	2,835,517	11,893,429
		- accessories	8,369,167	415,444
		- stores, spare parts and loose tools	14,013,348	4,936,304
		Service and maintenance charges	400,094	2,605,919
		Reimbursement of expenses	-	1,211,502
		Rental of generators	2,998,500	5,010,286
Eman Management (Private) Limited	Modaraba Management Company	Management fee	1,645,665	2,773,175
		Reimbursement of expenses	163,656	158,160
Key Management Personnel	Key Management Personnel	Remuneration	7,063,721	5,387,283
		Contribution to provident fund	406,764	203,382
Employees' Provident Fund	Post employee benefit plan	Contribution for the period	4,260,250	2,419,902

			Un-audited September 30, 2019	Audited June 30, 2019
Name of related party	Relationship	Nature of transactions	(Rupees)	(Rupees)
15.2	Period / year end balances			
Associated company Orient Energy Systems (Private) Limited	Associated undertaking	Payable against purchase of: - generators, overhauling, accessories and machinery and equipment - stores, spare parts and loose tools - services and maintenance charges - reimbursement of expenses  Receivable against : - services rendered	           37,798,368 50,056,168 10,743,900 3,443,541  8,553,234	           43,159,603 38,248,278 15,911,070 9,170,837  5,554,734
Eman Management (Private) Limited	Modaraba Management Company	Management fee payable Outstanding certificates 7,500,000 (2019: 7,500,000) Dividend payable Reimbursement of expenses	     13,464,336 75,000,000 7,500,000 251,769	     11,818,671 75,000,000 5,175,000 88,113
Directors	Directors of Management Company	Outstanding certificates 12,500,000 (2019: 12,500,000) Dividend payable	   125,000,000 12,500,000	   125,000,000 8,625,000
Key Management Personnel	Key Management Personnel	Outstanding certificates 10,008 (2019: 10,008) Dividend payable	   100,080 10,008	   100,080 6,906

## 16 SEGMENT INFORMATION

As per IFRS 8, "Operating Segments", Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating

The Modaraba has determined the operating segments based on the reports reviewed by the Chief Executive Officer, which are used to make strategic decisions.

The Chief Executive Officer is responsible for the Modaraba's entire product portfolio and considers the business to have two operating segments. The Modaraba's asset allocation decisions are based on an integrated investment strategy. The Modaraba's performance is evaluated on the basis of two operating segments.

The internal reporting provided to the Chief Executive Officer for the Modaraba's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The Modaraba's operating segments consists of rental business (operating lease) and maintenance business (operation and maintenance income). There were no changes in the reportable segments during the year. The Modaraba is domiciled in Pakistan. All of the Modaraba's income is from entities incorporated in Pakistan.

The Modaraba has a diversified product portfolio whereby resources have been allocated.

	<b>Ijarah Rentals</b>	<b>Operation and maintenance</b>	<b>Total</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>	<b>(Rupees)</b>
16.1 Segments revenue / profit			
For the period ended September 30, 2019			
Revenue	188,023,524	111,778,545	299,802,069
Costs	171,899,109	79,266,605	251,165,714
Reporting segment profit	<u>16,124,415</u>	<u>32,511,940</u>	<u>48,636,355</u>
For the period ended September 30, 2018			
Revenue	206,281,252	102,241,276	308,522,528
Costs	149,993,314	92,534,606	242,527,920
Reporting segment profit	<u>56,287,938</u>	<u>9,706,670</u>	<u>65,994,608</u>

Reconciliation of segment results with profit after tax is as under:

	Un-audited September 30, 2019 (Rupees)	Un-audited September 30, 2018 (Rupees)
Total results for reportable segments	48,636,355	65,994,608
Other non-operating income	521,572	603,483
Marketing and administrative expenses	16,332,805	7,399,984
Preliminary expenses and floatation costs	2,988,921	2,988,921
Finance costs	13,858,364	9,314,290
(Reversal) /Provision against potential ijarah losses and operation and maintenance income	(478,810)	19,163,150
Other non-operating expenses	2,151,542	3,625,649
Profit after taxation	14,305,105	24,106,097

#### 16.2 Segment assets and liabilities

As at September 30, 2019

Segment assets	1,312,969,206	101,242,271	1,414,211,477
Segment liabilities	604,420,505	3,831,502	608,252,007

As at June 30, 2019

Segment assets	1,390,064,944	103,847,362	1,493,912,306
Segment liabilities	626,287,880	2,489,055	628,776,935

Reconciliation of segment assets and liabilities with total assets and liabilities in the Balance Sheet is as under:

	Un-audited September 30, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
Total for reportable segment assets	1,414,211,477	1,493,912,306
Unallocated assets	262,409,982	113,475,792
Total assets as per balance sheet	1,676,621,459	1,607,388,098
Total for reportable segment liabilities	608,252,007	608,252,007
Unallocated liabilities	256,578,309	256,578,309
Total liabilities as per balance sheet	864,830,316	864,830,316

**17 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the period.

**18 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial information was authorised for issue on October 28, 2019 by the Board of Directors of Eman Management (Private) Limited.

**19 GENERAL**

Amounts has been presented and rounded off to the nearest Pak rupees unless otherwise stated.

For Eman Management (Private) Limited  
(Modaraba Management Company)

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

## امکانات:

آنے والے سہ ماہی میں جنریٹر مارکیٹ میں موجود منفی رجحانات کو کم کرنے کے لئے مضاربہ کی مینجمنٹ نے اپنے کاروبار کو ارتھ موونگ مشینری کی طرف مرکوز کرنے کا ارادہ کیا ہے۔ جس سے تسلی بخش مارجن متوقع ہے۔

اداریم کو ایک ترقی کرنیوالے مضاربہ کی حیثیت حاصل ہے۔ اور ہم اپنے کاروبار کی ترقی اور سرمایہ کاروں کی بہترین منافع کے لئے کام کرتے رہیں گے۔ ہماری توجہ اور حکمت عملی معیاری کسٹمر بیس اور رسد کو بڑھانے پر مرکوز ہے۔ ہم اپنے مختلف کاموں میں زیادہ سے زیادہ ہم آہنگی پر توجہ مرکوز کرتے ہوئے لاگت میں کمی کی استعداد کو زیادہ سے زیادہ بنانے کی اپنی کوششوں کو جاری رکھنا چاہتے ہیں۔ ہماری توجہ معیار کو برقرار رکھتے ہوئے اپنے سرمایہ کاروں کو مستقل منافع کی فراہمی پر مرکوز رہے گی۔

## اعتراف

بورڈ، رجسٹرار مضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کا شکریہ ادا کرتا ہے جنہوں نے مضاربہ کے کاروباری عمل کو احسن طریقے سے جاری رکھنے میں تعاون، مدد اور رہنمائی فراہم کی۔

بورڈ اپنے سرٹیفکیٹ ہولڈرز کا بھی ممنون ہے جنہوں نے اورینٹ گروپ پر اپنے اعتماد کا اظہار کیا اور بورڈ اپنے ہر ملازم کی محنت اور کوششوں کا بھی معترف اور شکر گزار ہے جنہوں نے صارفین کی توقع کے مطابق معیاری خدمات فراہم کی اور مضاربہ کے کاروبار کی ترقی کو یقینی بنایا۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

28 اکتوبر 2019ء



## ڈائریکٹرز کی رپورٹ

اورینٹ رینٹل مضاربہ ("Modaraba") کی مینجمنٹ کمپنی ایمان مینجمنٹ (پرائیویٹ) لمیٹڈ کا بورڈ آف ڈائریکٹرز بمسرت سہ ماہی ختمہ 30 ستمبر 2019 کے عبوری غیر آڈٹ شدہ مختصر حسابات پیش کرتا ہے۔ اس کی مالیاتی جھلکیاں درج ذیل ہیں:

مالیاتی جھلکیاں	30 ستمبر 2019 روپے	30 ستمبر 2018 روپے
آمدنی	299,802,069	308,522,528
اخراجات	(283,345,422)	(280,790,782)
مینجمنٹ کمپنی کے معاوضے سے قبل منافع	16,456,647	27,731,746
مینجمنٹ کمپنی کا معاوضہ اور دیگر اخراجات	(2,151,542)	(3,625,649)
قبل اور بعد از ٹیکس منافع	14,305,105	24,106,097
قانونی ریزرو میں بحساب مدت کے منافع سے 20% کے حساب سے منتقلی	(2,861,021)	(4,821,219)
غیر تقسیم شدہ منافع آگے لایا گیا	87,638,831	57,200,849
منافع کی تقسیم 30 جون 2019ء فی سرٹیفکیٹ Rs.1.00		
(30 جون 2018ء Rs.0.69) فی سرٹیفکیٹ	(75,000,000)	(51,750,000)
غیر تقسیم شدہ منافع آگے لے جایا گیا	24,082,915	24,735,727
فی سرٹیفکیٹ آمدنی - بنیادی اور تحلیل شدہ	0.19	0.32
فی سرٹیفکیٹ بریک اپ ویلیو	10.82	10.59

## کاروباری عمل کا جائزہ

زیر جائزہ سہ ماہی کے دوران ملک میں مارکیٹ کی مجموعی صورتحال ناسازگار رہی ہے، سود کی شرح میں تیزی سے اضافہ، روپے کی قدر میں کمی اور درآمدات کی قیمتوں میں اضافہ۔ ان تمام عوامل نے مضاربہ کے منافع کو بری طرح متاثر کیا اور اس کے نتیجے میں موجودہ سہ ماہی میں آپ کے مضاربہ کی آمدنی اور منافع میں مجموعی کمی واقع ہوئی۔ مضاربہ کی آمدنی کم ہو کر 299.80 ملین ہو گئی (30 ستمبر 2018ء، 308.52 ملین) گزشتہ ستمبر کے بعد سے مضاربہ نے اثاثوں میں بھاری سرمایہ کاری کی جس کے نتیجے میں فرسودگی کے اخراجات میں اضافہ ہوا اور آپریٹنگ لاگت 251.20 ملین سے بڑھ گئی جو کہ گزشتہ سہ ماہی میں 242.53 ملین تھی۔ مذکورہ وجوہات کی بناء پر مضاربہ کے مجموعی منافع کا حجم کم ہو کر 16.2% ہو گیا۔ جو کہ گزشتہ سہ ماہی میں 21.4% تھا۔

مضاربہ بعد از قانونی ریزرو میں منتقلی، اپنے سرٹیفکیٹ ہولڈرز کو منافع کا کم از کم 90% حصہ تقسیم کرنے کا ارادہ رکھتا ہے۔ جس کے سبب مالیاتی حسابات میں ٹیکس کی مد میں کوئی رقم شامل نہیں ہے۔

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