



ORIENT
RENTAL MODARABA

FOCUSED ON SOLUTIONS

ANNUAL REPORT
JUNE 30, 2020

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Modaraba Information

Modaraba Company

Eman Management (Private) Limited

Directors of Modaraba Company

Mr. Muhammad Saeed
Chairman

Mr. Glasuddin 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. Glasuddin 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

HBL 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

CDC Share Registrar Services Limited

CDC House, 99-B, Block B, SMCHS

Main Shahr-e-Faisal, Karachi

* Subsequently resigned from the Board after the year end.

Vision:

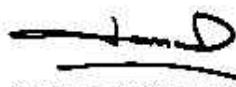
To become the outsourcing solution provider of choice in the markets we serve.

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.

Notice of Annual Review Meeting

Notice is hereby given that the 3rd Annual Review Meeting (ARM) of certificate-holders of Orient Rental Modaraba (Modaraba) will be held on October 26, 2020 at 08:30 am, however due to the current situation caused by the COVID-19 pandemic, certificate-holders shall be entitled to attend the meeting virtually through video link facility, as permitted by the Securities and Exchange Commission of Pakistan (SECP), to review the performance of the Modaraba for the period ended 30 June 2020. While convening the ARM, through video-link, the Modaraba will observe the quorum provisions and will comply with all the regulatory requirements.



On behalf of the Board
M. Jamal Ahmedani
Company Secretary
Orient Rental Modaraba
September 28, 2020
Karachi

Notes:

1. Coronavirus Contingency Planning for ARM of Certificate-holders:

In pursuance of SECP's Circular No. 5 dated March 17, 2020, and Circular No. 10 dated April 01, 2020, read with Circular No. 25 dated August 31, 2020, pertaining to Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector, the certificate-holders shall be entitled to attend the proceedings of the ARM through online means using a video link facility as offered by the Modaraba for the safety and well-being of the valued certificate-holders and the general public.

The certificate-holders will be able to login and participate in the ARM proceedings through their smartphones or computer devices from their homes or any convenient location after completing all the formalities required for the verification and identification of the certificate-holders.

The login facility will be opened at 08.00 a.m. on October 26, 2020 enabling the participants to join the proceedings which will start at 08.30 a.m. sharp. Certificate-holders interested in attending the ARM through electronic means, are requested to register themselves by submitting their following particulars at the Modaraba's designated email address company.secretary@orientmodaraba.com before the close of business hours on October 16, 2020. The link to the zoom application will be sent to the certificate-holders on the email address provided in the below table:

Certificate-holder's name	CNIC No.	Folio / CDC Account No.	Cell No.	No. of Shares held	Email address

Login facility will be shared with the certificate-holders whose emails addresses provided on above table. The purpose of the aforementioned arrangements is to ensure maximum participation of the certificate-holders in the ARM through an online facility. Certificate-holders are also requested to consolidate their attendance through proxies, so that the quorum requirement may also be fulfilled.

2. Closure of Certificate Transfer Book:

The certificate transfer books shall remain closed from October 19, 2020 to October 26, 2020 (both days inclusive). Transfers received in order at the office of the Registrar of Modaraba i.e. M/s CDC Share Registrar Services Limited, before the close of business hours on October 16, 2020 will be treated as in time for the purpose of entitlement to dividend to the transferees and to attend the Annual Review Meeting.

3. Participation in the ARM:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original CNIC or original passport at the time of attending the Meeting.

ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of attending the Meeting.

4. Availability of Audited Financial Statements on Modaraba's website:

In terms of Securities and Exchange Commission of Pakistan's (SECP) S.R.O. 634 (I)/ 2014, the Annual Report for the period ended 30 June 2020 will also be placed on Modaraba's website simultaneously with the dispatch of the same to the certificate holders.

5. Deduction of withholding tax on the amount of Dividend

The rate of deduction of income tax under section 150 of the Income Tax Ordinance, 2001, from dividend payments, has been prescribed as follows:

- (a) Rate of tax for person appearing in the Active Taxpayers' List: 15%
- (b) Rate of tax for person not appearing in the Active Taxpayers' List: 30%

To enable the Modaraba to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the certificate holders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers of Income Tax Returns are advised to make sure that their names are entered into ATL before the start of closed period (referred above) otherwise tax on their cash dividend will be deducted @30% instead of 15%. For any query/problem/ information, the Certificate-holders may contact the Share Registrar at its Head Office CDC House, 99-B, Block 'B', SMCHS, Main Shahra-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326053.

The corporate certificate holders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants.

Certificate holders seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be. Certificate holders desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

6. Withholding tax on Dividend In case of Joint Account Holders

All certificate holders who hold certificates jointly are requested to provide shareholding proportions of Principal certificate-holder and Joint-holder(s) in respect of certificates held by them to our Share Registrar, in writing as follows:

Folio No. / CDC Account No.	Total Certificates	Principal Certificate holder		Joint Certificate holder	
		Name and CNIC No.	Certificate holding Proportion (No. of certificates)	Name and CNIC No.	Certificate holding Proportion (No. of certificates)

The required information must reach our Share Registrar before the close of business on October 16, 2020; otherwise it will be assumed that the certificates are equally held by Principal certificate-holder and Joint-holder(s).

7. CNIC / NTN Number on Dividend Warrant (Mandatory)

As already been notified from time to time, SECP has directed vide its Notification S.R.O. 831(1)/2012 dated July 5, 2012, that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered certificate-holder, except in case of minor(s) and corporate certificate-holder(s).

In order to comply with the SECP's directives and in terms of Section 243(2) (a) of the Companies Act, 2017, the Company shall be constrained to withhold the Dividend Warrant(s), in case of non-availability of copy of valid CNIC (for individuals) and National Tax Number (for a corporate entity).

Accordingly, certificate-holders who have not yet submitted a copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Modaraba or our share registrar at its Head Office CDC House, 99-B, Block 'B', SMCHS, Main Shakra-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326053.

8. Dividend Mandate

As per Section 242 of the Companies Act, 2017 (the "Act"), the payment of cash dividend by a listed company / entity through electronic mode has now become mandatory. Therefore, all the certificate-holders of Modaraba are hereby advised to provide dividend mandate of their respective banks in the "Dividend Mandate Form" available on Company's website. Certificate holders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant

participant / CDC Investor Account Service. In the absence of bank account details or in case of incomplete details, the Modaraba is required to withhold the payment of cash dividend of those certificate-holders who have not provided the same. For more information, you may contact our share registrar at its Head Office CDC House, 99-B, Block 'B', SMCHS, Main Shahra-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326053.

9. Transmission of Annual Financial Statements through Email

As per the directives issued by the Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O.787(1)2014 dated 08 September 2014, companies are allowed the circulation of Audited Financial Statements along with Notice of Annual Review Meeting to their certificate-holders through email. Certificate-holders who wish to receive Modaraba's Annual Report via email in future are requested to fill the consent form (available at Modaraba's website) and return it to our Share Registrar at its Head Office CDC House, 99-B, Block 'B', SMCHS, Main Shahra-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326053.

10. Unclaimed Dividend

Certificate-holders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar at its Head Office CDC House, 99-B, Block 'B', SMCHS, Main Shahra-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326053 to collect/enquire about their unclaimed dividend, if any.

11. Change of Address:

The Certificate holders are advised to notify change in their address, if any, to the Share Registrars, M/s CDC Share Registrar Services Limited at its Head Office CDC House, 99-B, Block 'B', SMCHS, Main Shahra-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326053.

Key Financial Data

		2019 - 20	2018 - 19	2017 - 18
Total Assets	Rs. in Millions	1,677	1,607	1,462
Current Assets	Rs. in Millions	474	395	293
Current Liabilities	Rs. in Millions	384	444	229
Paid-up certificate capital	Rs. in Millions	750	750	750
Reserves	Rs. in Millions	78	122	72
Certificate holders' equity	Rs. in Millions	828	872	822
Gross Profit	Rs. in Millions	217	245	140
Net Profit	Rs. in Millions	30	103	72
Total Dividend	Rs. in Millions	14	75	51.75
Return on Asset	%	2	6	5
Return on Equity	%	4	12	9
Debt / Equity Ratio	times	1.03	0.84	0.78
Current Ratio	times	1.23	0.89	1.28
Earnings per certificate - basic and diluted	Rs.	0.40	1.37	0.95
Cash dividend	%	1.82	10.00	6.90
Cash dividend per certificate	Rs.	0.18	1.00	0.69
Book value per certificate	Rs.	11.04	11.63	10.95

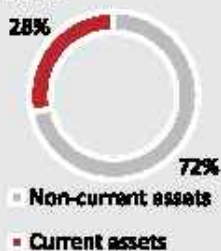
Value Added Statement

	2019 - 20		2018 - 19		2017 - 18	
	Rs In '000	%	Rs In '000	%	Rs In '000	%
Value Added						
Revenue from Operations	1,161,060	151%	1,274,761	143%	610,618	150%
Less: Operating expenses	(357,277)	(47%)	(386,277)	(43%)	(211,512)	(52%)
Other Income	(36,508)	(5%)	167	0%	7,555	2%
	<u>767,275</u>	100%	<u>888,651</u>	100%	<u>406,661</u>	100%
Value Allocated						
To Employees						
as remuneration	494,607	64%	558,540	63%	193,418	48%
To providers of Finance						
as profit on Diminishing Musharaka	68,797	9%	49,179	6%	16,717	4%
To Modarib						
Modaraba Management Company	3,486	0%	11,819	1%	8,226	2%
To Certificate Holders'						
as profit on Modaraba Certificates	13,637	2%	75,000	8%	51,750	13%
Retained In the business						
as Depreciation Including Amortisation	170,080	22%	124,323	14%	80,322	20%
as Reserve and Retained Earnings	<u>16,668</u>	2%	<u>69,792</u>	8%	<u>56,218</u>	14%
	<u>767,275</u>	100%	<u>888,653</u>	100%	<u>406,651</u>	100%

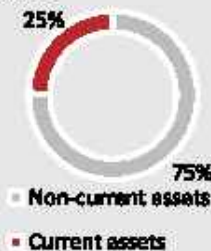
Balance Sheet Composition

	2019 - 20 Rupees	2018 - 19 Rupees	2017 - 18 Rupees
Non-Current Assets	1,203,097,551	1,212,804,336	1,168,827,962
Current Assets	474,057,290	394,583,762	293,407,281
Non-Current Liabilities	465,402,516	291,250,000	411,250,000
Current Liabilities	383,961,733	443,652,060	229,484,182
Equity	827,790,592	872,486,038	821,501,061

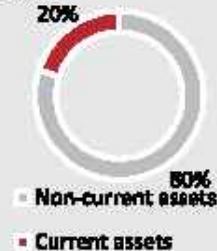
2020 - ASSETS



2019 - ASSETS



2018 - ASSETS



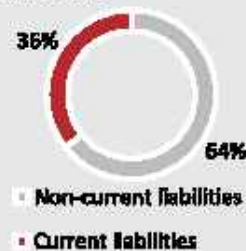
2020 - LIABILITIES



2019 - LIABILITIES



2018 - LIABILITIES



Vertical Analysis

BALANCE SHEET

ASSETS

Non-current assets

Fixed assets	71%
Intangible assets	0%
Preliminary expenses and floatation costs	0%
Long term deposits	0%
	72%

Current assets

Stores, spares and loose tools	3%
Accounts receivables	12%
Loans, advances and other receivable	4%
Tax refundable due from Government	9%
Cash and bank balances	1%
	28%
	100%

LIABILITIES

Non-current liabilities

Diminishing musharika financing	28%
Lease liability	0%
	28%

Current liabilities

Current maturity of diminishing musharika financing	2%
Current maturity of lease liability	1%
Creditors, accrued and other liabilities	20%
Unclaimed dividend	0%
	23%

FINANCED BY:

Issued, subscribed and paid-up capital	45%
Unappropriated profit	2%
Statutory reserves	3%
	49%
	100%

PROFIT AND LOSS ACCOUNT

Ijarah rentals - net	63%
Operation and maintenance income - net	39%
Income on deposits with banks	0%
(Loss) / Gain on disposal of fixed assets	-3%
Gross Revenue	100%

Operating expenses

Leasehold improvement written-off	1%
Administrative expenses	5%
Marketing expenses	0%
Preliminary expenses and floatation costs	1%
Finance costs	5%
(Reversal) / Provision against potential Ijarah losses and operation and maintenance income	1%
Total Expenses	97%

Modaraba Management Company's fee	0%
Provision for Sindh Sales tax on Modaraba Management fees	0%
Provision for Sindh Workers' Welfare Fund	0%

Profit Margin

2019-20

2018-19

2017-18

	71%	74%	77%
	0%	0%	0%
	0%	1%	2%
	0%	0%	1%
	72%	75%	80%
	3%	2%	1%
	12%	11%	11%
	4%	2%	3%
	9%	8%	2%
	1%	2%	3%
	28%	25%	20%
	100%	100%	100%
	28%	18%	28%
	0%	0%	0%
	28%	18%	28%
	2%	10%	3%
	1%	0%	0%
	20%	18%	13%
	0%	0%	0%
	23%	28%	16%
	45%	47%	51%
	2%	5%	4%
	3%	2%	1%
	49%	54%	56%
	100%	100%	100%
	63%	66%	67%
	39%	34%	32%
	0%	0%	1%
	-3%	0%	0%
	100%	100%	100%
	83%	80%	76%
	1%	0%	0%
	5%	3%	2%
	0%	0%	1%
	1%	1%	2%
	5%	4%	3%
	1%	2%	3%
	97%	90%	87%
	0%	1%	1%
	0%	0%	0%
	0%	0%	0%
	3%	9%	12%

Horizontal Analysis

BALANCE SHEET

ASSETS

Non-current assets

Fixed assets

Intangible assets

Preliminary expenses and floatation costs

Long term deposits

Advances

2019-20	2018-19
0%	5%
-100%	0%
-100%	-50%
0%	-100%
0%	100%
-1%	4%

Current assets

Stores, spares and loose tools

Accounts receivables

Loans, advances and other receivable

Tax refundable due from Government

Cash and bank balances

95%	63%
16%	8%
81%	-14%
14%	282%
-52%	-16%
20%	34%
4%	10%

LIABILITIES

Non-current liabilities

Diminishing musharika financing

Lease liability

59%	-29%
100%	0%
60%	-29%

Current liabilities

Current maturity of diminishing musharika financing

Current maturity of lease liability

Creditors, accrued and other liabilities

Unclaimed dividend

-82%	228%
100%	0%
21%	94%
10%	100%
-13%	93%

FINANCED BY:

Issued, subscribed and paid-up capital

Unappropriated profit

Statutory reserves

0%	0%
-68%	53%
43%	144%
-5%	6%
4%	10%

PROFIT AND LOSS ACCOUNT

Ijarah rentals - net

Operation and maintenance income - net

Income on deposits with banks

(Loss) / Gain on disposal of fixed assets

Gross Revenue

-15%	101%
3%	125%
-6%	-77%
-15351%	0%
-11%	106%

Operating expenses

Leasehold improvement written-off

Administrative expenses

Marketing expenses

Preliminary expenses and floatation costs

Finance costs

(Reverse) / Provision against potential Ijarah losses and operation and maintenance income

Total Expenses

-8%	118%
100%	0%
43%	201%
-87%	61%
0%	0%
40%	194%
-57%	17%
-5%	116%

Modaraba Management Company's fee

Provision for Sindh Sales tax on Modaraba Management fees

Provision for Sindh Workers' Welfare Fund

-71%	44%
-71%	44%
-71%	44%

Profit Margin

-71%	44%
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Chairman's Review Report

Dear Modaraba Certificate Holders,

On behalf of Board of Directors of EMAN Management (Pvt.) Limited, the Management Company of Orient Rental Modaraba ("Modaraba"), I am pleased to present Annual Review Report of the Modaraba for the year ended June 30, 2020.

The composition of the Board of Directors reflects mix of varied backgrounds and rich experience in the fields of business, finance, banking and regulations. The Board also ensures that the Management is complying with the regulatory requirements and that the exceptions reported under the Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 shall be completed in the current accounting period. The Board is ably assisted by its Committees. The Board and its Committees meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

As we strengthen our position in our existing business segment, we look forward to future in line with our core business strategies to explore new markets and customer segments for further business expansion in untapped segments. I am glad that our competent team has ability to grasp business opportunities and also engage themselves in new segments always ahead of our competitors. Islamic finance is growing sector in Pakistan and I am confident ORM will further enhance its assets size in this emerging segments.

I place my sincere appreciation to our Chief Executive Officer and all his team members for their hard work and dedication. I also wish to place my sincere appreciation to the Registrar Modaraba, Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange for their cooperation, support and guidance from time to time.

I would also like to take this opportunity to acknowledge and thank all stakeholders, employees, customers, suppliers, certificate-holders, bankers and all others for their continued support and loyalty.



Muhammad Saeed
Chairman

Dated: September 28, 2020

Directors' Report

For the Year Ended June 30, 2020

The Board of Directors of EMAN Management (Pvt.) Limited ("EMAN"), a Management Company of Orient Rental Modaraba ("Modaraba") has pleasure in presenting Director's Report together with Audited Financial Statements of the Modaraba for the year ended June 30, 2020. The financial highlights are as follows:

Financial Highlights	June 2020 Rupees	June 2019 Rupees
Revenue	1,161,060,128	1,274,761,399
Expenses - net	(1,126,197,655)	(1,156,574,692)
Profit before Management Fee	34,862,473	118,186,707
Management Company's Remuneration and other provision	(4,557,919)	(15,451,730)
Profit before & after Taxation	30,304,554	102,734,977
Un-appropriated profit brought forward	87,638,831	57,200,849
Transfer to Statutory Reserve @ 50% of profit for the period (2019 @20%)	(15,152,277)	(20,546,995)
Profit distribution for the year ended June 30, 2019 @ Rs. 1.00 (for the year ended June 30, 2018: @ 0.69) per Certificate	(75,000,000)	(51,750,000)
Un-appropriated profit carry forward	27,791,108	87,638,831
Earnings per Certificate – Basic and Diluted	0.40	1.37
Break up value per certificate	11.04	11.63

Review of Operations

The year under review was very turbulent and had some adverse impact on our business. Some of the factors that affected us negatively were, depreciation of Pak Rupee, high cost of imports, increase in cost of spare parts of generators, and high interest rate resulting in decline in earnings per certificate from Rs. 1.37 to Rs. 0.40 in the current period.

The outbreak of COVID-19, started in the end of calendar year 2019 proved the proverbial straw that broke the camel's back. It started from China, as we all know, and soon spread to the rest of the world. Global supply chains and international trade have also been severely affected by the outbreak, the impact of which was felt in low productivity and in some cases shut down of all export oriented industrial units. Countrywide restrictions and lockdowns have affected almost every person and business. Concerns of entering a global economic meltdown are escalating, with many economists citing the start of a global recession.

Although the revenue too declined from Rs. 1,275 million in the comparative period to Rs. 1,161 million in the current period but not as much as profit which declined from 9.3% to 3.0% in the current period. The reason for this decline was that the cost of business mentioned afore had seen an unprecedented rise whereas market was not willing to absorb the cost.

Review of Operations

Every cloud has its silver lining, and, in our case, it was our ability to retain most of our clients and able to diversify our business providing us cushion in these trying times.

The Modaraba intends to distribute at least 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 the financial statement.

Profit Distribution

The Board is pleased to announce a cash dividend of 1.8% i.e. Rs. 0.18/- per certificate of Rs. 10/- each, subject to deduction of zakat and tax at source, where applicable.

Principal Risks and Uncertainties

The Modaraba is exposed to certain inherent risks and uncertainties. However, we consider the following as key risks:

- **Changes in Taxation Policy**

The success of the Modaraba, amongst other factors, is dependent upon the privilege of tax exemption by the Government, which is available only on minimum distribution of 90% of the profit to its certificate holders in the form of cash dividend. If at any stage, this exemption is withdrawn by the Government, the earning per share of the Modaraba may be affected.

- **Business Risk**

Due to significant reliance on generator rental business, the Modaraba is facing a risk from availability of cheap sources of power generation equipment like solar powered plants etc. Similarly, any Government subsidy to Alternate Energy sector might negatively affect the Modaraba.

- **Credit Risk**

Modaraba is exposed to inherent default risks in the business of Ijarah. The Modaraba is carrying significant risks in terms of default in rental payments by lessee and other risks such as non-possession of leased asset, misuse or abuse by lessee, accidents, theft, and breakdown.

- **Economic Risk**

The performance of Modaraba can be affected by changes in the economic conditions. Factors such as market growth, interest rates and exchange rates could affect the earnings and assets of Modaraba.

The Modaraba works with internal and external stakeholders to mitigate / reduce to acceptable level the likely impacts of aforesaid risks.

Future Outlook

The COVID-19 pandemic has emerged as a major event in global history. For Pakistan, this has come at a time when the country was heading towards economic recovery.

The slowdown has already impacted the export sector as international demand has scaled down significantly. Looking ahead, contraction in the large scale industrial production and the agricultural sector is also expected. On the brighter side, the reduction in international oil prices may slightly mitigate the economic slowdown.

As business of ORM is mainly linked with operations of the corporate sector in Pakistan, we are looking forward to removal of lockdown on corporate sector which we hope will result in reviving the operations of the Modaraba.

Currently ORM is taking all necessary measures to ensure continuity of business in view of the evolving developments emerging from the COVID-19 outbreak. It is our priority to ensure that all staff members are safe and healthy while maintaining our ability to serve our clients. We have retained all our staff despite all the adversities mentioned above.

Notwithstanding prevailing challenges, ORM is still 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.

The Board of Directors

The Board comprises of five directors. The composition of the board members is as follows:

Independent Directors	1
Non-Executive Directors	3
Executive Directors	1

During the year, a total of four meetings of the Board of Directors were held. The position of attendance during respective period was as follows:

Name of Director	Meeting	
	Held	Attended
Mr. Muhammad Saeed	4	4
Mr. Giasuddin Khan	4	4
Mr. Nasim Ahmed	4	4
Mr. Joozer Jiwa Khan	4	4
Mr. Ali Akbar Abdullah *	4	4

* Subsequently resigned from the Board after the year end.

Board Audit Committee

The Board of Directors has established an Audit Committee, in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017, which oversees internal controls and compliance and has been working efficiently since its inception. The Audit Committee reviewed the quarterly, half-yearly, and annual financial statements before submission to the Board and their publication. The Audit Committee had detailed discussions with the external auditors on various issues, including their letter to the management. The Audit Committee also reviewed internal auditors' findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

During the year, a total of four meetings of the Board Audit Committee were held. The position of attendance during respective period was as follows:

Name of Director	Meeting	
	Held	Attended
Mr. Joozer Jiwa Khan	4	4
Mr. Nasim Ahmed	4	4
Mr. Ali Akbar Abdullah *	4	3

* Subsequently resigned from the Board after the year end.

Human Resource and Remuneration Committee

The Board of Directors in compliance with the Regulations formed Human Resource and Remuneration Committee (HRRC). The HRRC is primarily responsible for implementation of the process of evaluation and compensation of the key management personnel.

During the period, Human Resource and Remuneration Committee conducted 1 (one) meeting. The position of attendance is as follows.

Name of Director	Meeting	
	Held	Attended
Mr. Joozer Jiwa Khan	1	1
Mr. Muhammad Saeed	1	1
Mr. Nasim Ahmed	1	1
Mr. Glasuddin Khan	1	1

Compliance with Corporate Governance

The Board of Directors reviews all significant matters of the Modaraba. These include Modaraba's strategic direction, related party transactions and decisions on long term investments and borrowings. The Board is committed to maintain high standards of Corporate Governance.

Corporate and Financial Reporting Framework

- The Board of Directors is pleased to report that the Financial statements prepared by the management of the Modaraba, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Modaraba have been maintained.
- Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable to Modarabas in Pakistan, have been followed in preparation of financial statements.
- The system of Internal control, which is in place, is being continuously reviewed by Internal audit and other such procedures. The process of review will continue and any weakness in controls will be removed.
- There are no significant doubts upon the Modaraba's ability to continue as a going concern.
- Summary of key operating and financial data for the year under review is included in this annual report.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2020 except for those disclosed in the financial statements.
- The Modaraba maintains a Provident Fund for its permanent employees. The value of Investments based on the unaudited financial statements of the fund as at June 30, 2020 is Rs. 57,526,583/- (June 30, 2019 (audited): Rs. 23,457,645).

Place of Board Meeting

During the period, all board meetings have been arranged at Karachi in Management Company's office and none of the meeting conducted outside Pakistan in order to avoid any extra expenses of outside meeting.

Pattern of Certificate Holders

A Statement showing pattern of Certificate Holding of the Modaraba and additional information as at June 30, 2020 is included in this report along with the proxy form.

Directors Training Program

Two directors of the Board have obtained certification under Director's Training Program from SECP's approved Institutions.

Related Party Transactions

In accordance with the requirements of the Regulations, the Company presented all related party transactions before the Audit Committee and the Board for their review and approval, respectively.

Internal Financial Controls

The directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and auditors (both internal and external), they confirm that adequate controls have been implemented by the Company.

Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

Remuneration Policy of Non-Executive Directors

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

Shari'ah Audit Report

The Modaraba continues to seek guidance from its Shari'ah Advisor, Mufti Ibrahim Essa as and when required. The internal audit department has also been trained to handle the day to day affairs of the Modaraba ensuring complete adherence to Shari'ah policies and principles. The Shari'ah Audit Report issued for the affairs of the Modaraba for the period ended June 30, 2020 is attached in the Annual Financial Statements.

Auditors

On the recommendation of the Audit Committee, the Board has approved the re-appointment of M/s. BDO Ebrahim & Co., Chartered Accountants as auditors for the year ending June 30, 2021 at a remuneration to be mutually agreed, subject to the approval of Registrar of Modaraba Companies & Modarabas.

Acknowledgement

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

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.



Chief Executive Officer

September 28, 2020



Chairman

MUFTI MUHAMMAD IBRAHIM ESSA

Graduate from Jamia Darul Uloom Karachi, Pakistan
Shariah Advisor – Islamic Finance and Takaful Matters

المفتي محمد ابراهيم عيسى
خريج الجامعة دار العلوم كراتشي، باكستان
المستشار للشرعي للمؤسسات المالية الاسلامية

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
لحمده و نصلی علی رسولہ الکریم

Annual Shariah Advisor's Report

For the year ended June 30, 2020

I conducted the *Shari'ah* review of Orient Rental Modaraba for the financial year ended on June 30, 2020 in accordance with the requirements of the *Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas*, and in my opinion:

REVIEW OF OPERATIONS:

Based on my review, the following were the major activities/developments in respect of Shariah that took place during this period:

BANK ACCOUNTS:

For investment and operational purposes, Modaraba is operating the Bank accounts maintained with Islamic Banks.

OPERATING LEASE & OPERATION AND MAINTENANCE CONTRACTS:

Modaraba executed number of operating lease and operation and maintenance contracts with different reputable clients. In my Shariah review of selected contracts, I came to know that only the approved version of agreements was used by the Modaraba.

OBSERVATIONS:

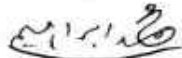
NIL

RECOMMENDATIONS:

NIL

CONCLUSION:

Generally, the Management of Orient Rental Modaraba has effectively shown its sincerity to comply with Shariah Rulings in its true spirit, therefore, we are of the view that the business operations of Orient Rental Modaraba are Shariah Compliant up to the best of my knowledge.



Mufti Muhammad Ibrahim Essa

Shariah Advisor

Orient Rental Modaraba

Dated: September 15, 2020



☎ +92 322 2671867 | ✉ mlbrahimessa@yahoo.com

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

For the year ended June 30, 2020

This statement is being presented to comply with Listed Companies (Code of Corporate Governance) Regulations, 2019. Regardless of the fact that EMAN Management (Private) Limited, the Management Company of Orient Rental Modaraba (Modaraba), is a private limited company, the Board of Directors of the Management Company are pleased to confirm that the Code is being complied with, in all material respects (pertaining to the operations of the Modaraba). The Management Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors is 5 (Five) which consists of male directors.
2. The composition of Board is as follows:

a) Independent Director:	Mr. Joozer Jiwa Khan
b) Other Non-executive Director:	Mr. Muhammad Saeed
	Mr. Nasim Ahmed
	Mr. Ali Akbar Abdullah
c) Executive Director:	Mr. Giasuddin Khan

The Board was constituted prior to the notification of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors will be reconstituted at the time of next election of Directors to comply with the requirement of having at least two or one third members of the Board as an Independent directors and a female director on the Board.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Modaraba.
4. The Modaraba is in process of maintaining a Code of Conduct and ensuring that appropriate steps will be taken to disseminate it throughout the Modaraba along with supporting policies and procedures.
5. The Board has developed vision and mission statement, however, the Modaraba is in the process of developing the overall corporate strategy of the Modaraba.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board as empowered by the relevant provisions of the Act and these Regulations.
7. All meetings of the Board were presided over by the Chairman of the Board. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Two directors of the Board have obtained certification under Director's Training Program from SECP's approved Institutions.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members given below:
 - a) Audit Committee:
 1. Mr. Joozer Jiwa Khan (Chairman);
 2. Mr. Nasim Ahmed (Non-executive Director)
 3. Mr. Ali Akbar Abdullah (Non-executive Director)
 - b) HR and Remuneration Committee:
 1. Mr. Joozer Jiwa Khan (Chairman);
 2. Mr. Nasim Ahmed (Non-executive Director)
 3. Mr. Ali Akbar Abdullah (Non-executive Director)
 4. Mr. Giasuddin Khan (Chief Executive)
13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.
14. The frequencies of the meetings of the Committees are as follows;

Committee	Frequency of meeting
Audit Committee	4 (four) meetings
HR and Remuneration Committee	1 (One) meeting
15. The Board has set up an effective internal audit function comprising of suitably qualified and experienced staff who are conversant with the policies and procedures of the company.
16. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Modaraba and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all applicable requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

- The Board of Directors of the Modaraba Management Company is in process of finalizing risk management policies, as required under Regulation 10(2) of the Regulations. The process of approval shall be completed during the year ending June 30, 2021.
- The Board of Directors of the Modaraba Management Company is in process of finalizing adequate policy, systems and controls for communication and disclosure with stakeholders, identification and redressal of grievances and queries of shareholders/investors and complaints arising from unethical practices, as required under Regulation 10(3)(III) of the Regulations. The process of approval shall be completed during the year ending June 30, 2021.
- The Board of Directors of the Modaraba Management Company is in process of finalizing formal and effective mechanism for an annual evaluation of the board's own performance, members of board and of its committees, as required under Regulation 10(3)(v) of the Regulations. The process of approval shall be completed during the year ending June 30, 2021.
- The Board of Directors of the Modaraba Management Company is in process of finalizing significant policies and maintaining complete record of particulars of such policies along with their dates of approval and updates, as required under Regulation 10(4) of the Regulations. The process of approval shall be completed during the year ending June 30, 2021.

Q. Asadul Khan

Chief Executive Officer

September 28, 2020

M. A. Khan

Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE HOLDERS OF ORIENT RENTAL MODARABA ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Eman Management (Private) Limited (the Modaraba Management Company) for and on behalf of Orient Rental Modaraba (the Modaraba) for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Modaraba Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Modaraba's personnel and review of various documents prepared by the Modaraba Management Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Modaraba's corporate governance procedures and risks.

The Regulations require the Modaraba Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2020.

KARACHI

DATED: SEPTEMBER 28, 2020



CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of **ORIENT RENTAL MODARABA** ("the Modaraba") as at June 30, 2020 and the related profit and loss account, the statement of comprehensive income, the cash flow statement and the statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year ended June 30, 2020 and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

These financial statements are the Modaraba Management Company's [Eman Management Company (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Management Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) In our opinion proper books of account have been kept by the Modaraba in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation And Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of account and are further in agreement with accounting policies consistently applied except which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;

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BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

IBDO

- c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2020 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) In our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KARACHI

DATED: 28 SEP 2020



CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BALANCE SHEET AS AT JUNE 30, 2020

	Note	June 30, 2020 (Rupees)	June 30, 2019 (Rupees)
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	5	1,198,399,551	1,195,745,908
Intangible assets	6	-	404,744
Preliminary expenses and floatation costs	7	-	11,955,684
Long term deposit	8	4,698,000	4,698,000
		<u>1,203,097,551</u>	<u>1,212,804,336</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	9	51,813,705	26,632,841
Receivables	10	196,182,742	168,781,263
Loans, advances and other receivable	11	64,494,860	35,629,597
Tax refunds due from Government	12	142,723,259	124,674,355
Cash and bank balances	13	18,842,724	38,865,706
		<u>474,057,290</u>	<u>394,583,762</u>
TOTAL ASSETS		<u>1,677,154,841</u>	<u>1,607,388,098</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital			
75,000,000 certificates of Rs. 10 each		750,000,000	750,000,000
Issued, subscribed and paid-up certificate capital	14	750,000,000	750,000,000
Unappropriated profit		27,791,108	87,638,831
Statutory reserve	15	49,999,484	34,847,207
		<u>827,790,592</u>	<u>872,486,038</u>
NON-CURRENT LIABILITIES			
Diminishing musharaka financing	16	464,223,486	291,250,000
Lease liability	17	1,179,030	-
		<u>465,402,516</u>	<u>291,250,000</u>
CURRENT LIABILITIES			
Current maturity of diminishing musharaka financing	16	28,861,725	160,000,000
Current maturity of lease liability	17	13,144,322	-
Creditors, accrued and other liabilities	18	341,841,923	283,548,799
Unclaimed dividend		113,763	103,261
		<u>383,961,733</u>	<u>443,652,060</u>
TOTAL EQUITY AND LIABILITIES		<u>1,677,154,841</u>	<u>1,607,388,098</u>
CONTINGENCIES AND COMMITMENTS	19		

The annexed notes from 1 to 42 form an integral part of these financial statements.

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


Chief Executive Officer


Director


Director



Chief Financial Officer

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	June 30, 2020 (Rupees)	June 30, 2019 (Rupees)
Ijarah rentals - net	20	716,253,827	841,538,048
Operation and maintenance income - net	21	444,806,301	433,223,351
		<u>1,161,060,128</u>	<u>1,274,761,399</u>
Operating expenses	22	(944,378,579)	(1,030,009,042)
Gross profit		216,681,549	244,752,357
Income on deposits with banks		1,932,437	2,064,141
Leasehold improvement written-off		(7,380,314)	-
(Loss) / gain on disposal of fixed assets		(30,442,040)	199,610
		<u>180,791,632</u>	<u>247,016,108</u>
Administrative expenses	23	(53,721,344)	(37,593,856)
Marketing expenses		(649,506)	(5,007,650)
Preliminary expenses and floatation costs	7	(11,955,684)	(11,955,684)
Finance cost	24	(68,796,688)	(49,178,967)
Provision against potential Ijarah losses and operation and maintenance income	10.2 & 10.4	(10,805,937)	(25,093,244)
		<u>(145,929,159)</u>	<u>(128,829,401)</u>
		34,862,473	118,186,707
Modaraba Management Company's fee	25	(3,486,247)	(11,818,671)
Provision for sales tax on Modaraba Management fees	25	(453,212)	(1,536,427)
Provision for Sindh Workers' Welfare Fund		(618,460)	(2,096,632)
Profit before taxation		<u>30,304,554</u>	<u>102,734,977</u>
Taxation	26	-	-
Profit for the year		<u>30,304,554</u>	<u>102,734,977</u>
Earnings per certificate - basic and diluted	27	<u>0.40</u>	<u>1.37</u>

The annexed notes from 1 to 42 form an integral part of these financial statements.

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


Chief Executive Officer


Director


Director


Chief Financial Officer

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020**

	June 30, 2020 (Rupees)	June 30, 2019 (Rupees)
Profit for the year	30,304,554	102,734,977
Other comprehensive Income	-	-
Total comprehensive Income for the year	<u>30,304,554</u>	<u>102,734,977</u>

The annexed notes from 1 to 42 form an integral part of these financial statements.

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


Chief Executive Officer


Director


Director


Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2020

	Note	June 30, 2020 (Rupees)	June 30, 2019 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		30,304,554	102,734,977
Adjustments for non-cash and other items:			
Depreciation on fixed assets	5.1	170,080,319	124,214,420
Amortisation on intangible assets	6	404,744	108,451
Preliminary expenses and floatation costs		11,955,684	11,955,684
Provision against potential (jarah losses and operation and maintenance income	10.2 & 10.4	10,805,937	25,093,244
Finance cost	24	68,796,688	49,178,967
Leasehold Improvement written-off		8,279,940	-
Loss / (Gain) on disposal of fixed assets		30,442,040	(199,610)
Provision for Sindh Workers' Welfare Fund		618,460	(2,096,632)
Profit on bank deposits		(1,932,437)	(2,054,141)
		<u>299,451,375</u>	<u>206,190,383</u>
Operating profit before working capital changes		329,755,929	308,925,360
Increase in current assets			
Stores, spare parts and loose tools		(25,180,856)	(10,324,791)
Receivables		(38,207,416)	(37,040,889)
Loans, advances and other receivable		(28,769,204)	5,693,114
		<u>(92,157,484)</u>	<u>(41,672,566)</u>
Increase in current liabilities			
Creditors, accrued and other liabilities		49,122,020	101,400,755
Income taxes paid		(18,048,904)	(92,013,521)
Finance cost paid		(68,206,170)	(45,668,473)
Net cash generated from operating activities		<u>200,465,391</u>	<u>230,971,455</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets		(295,586,089)	(197,969,236)
Proceeds against disposal of fixed assets		117,332,936	2,764,163
Addition to intangible assets		-	(513,196)
Advances		-	20,360,949
Long term deposit		-	(4,698,000)
Profit on bank deposits		1,836,378	2,224,260
Net cash used in investing activities		<u>(176,416,775)</u>	<u>(177,831,059)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Diminishing musharaka financing		163,917,749	40,000,000
Repayment of Diminishing musharaka financing	16	(122,082,538)	(48,750,000)
Repayment of lease liability		(10,917,311)	-
Dividend paid		(24,989,498)	(51,646,739)
Net cash used in financing activities		<u>(44,071,598)</u>	<u>(60,396,739)</u>
Net decrease in cash and cash equivalents		<u>(20,022,982)</u>	<u>(7,256,343)</u>
Cash and cash equivalents at the beginning of the year		38,865,706	46,122,049
Cash and cash equivalents at the end of the year	13	<u>18,842,724</u>	<u>38,865,706</u>

The annexed notes from 1 to 42 form an Integral part of these financial statements.

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


Chief Executive Officer


Director


Director


Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

	Paid-up certificate capital	Statutory reserve*	Unappropriated profit	Total
	(Rupees)			
Balance as at July 01, 2018	750,000,000	14,300,212	57,200,849	821,501,061
Profit for the year	-	-	102,734,977	102,734,977
Other comprehensive income	-	-	-	-
Total comprehensive Income for the year	-	-	102,734,977	102,734,977
Transfer to statutory reserve	-	20,546,995	(20,546,995)	-
Transaction with owners				
Profit distribution for the year ended June 30, 2018 @ Re. 0.69 per certificate	-	-	(51,750,000)	(51,750,000)
Balance as at June 30, 2019	750,000,000	34,847,207	87,638,831	872,486,038
Balance as at July 01, 2019	750,000,000	34,847,207	87,638,831	872,486,038
Profit for the year	-	-	30,304,554	30,304,554
Other comprehensive Income	-	-	-	-
Total comprehensive Income for the year	-	-	30,304,554	30,304,554
Transfer to statutory reserve	-	15,152,277	(15,152,277)	-
Transaction with owners				
Profit distribution for the year ended June 30, 2019 @ Re. 1.00 per certificate	-	-	(75,000,000)	(75,000,000)
Balance as at June 30, 2020	750,000,000	49,999,484	27,791,108	827,790,592

* 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 42 form an Integral part of these financial statements.

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


Chief Executive Officer


Director


Director


Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, Korangli Industrial Area, Karachi and the head office is located at Al-Tijarah Center, 15th floor Shahra-e-Faisal, Karachi.

Subsequent to year end, head office of Modaraba was shifted from Al-Tijarah Center, 15th floor Shahra-e-Faisal, Karachi to ITC Image, 4th floor, Block 7 & 8, KCHSU, Shahrah-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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Prudential Regulations for Modarabas and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where provisions of and directives issued under the Companies Act, 2017, Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas and directives issued by the Securities and Exchange

Commission of Pakistan (SECP) differs from the requirements of IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas and directives Issued by the Securities and Exchange Commission of Pakistan (SECP) shall be followed.

2.1.2 Applicability of Islamic Financial Accounting Standard (IFAS) 2 'Ijarah'

Islamic Financial Accounting Standard 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan was adopted by the Securities and Exchange Commission of Pakistan (the SECP) vide SRO 431(1)/ 2007 dated May 22, 2007. Under the above IFAS 2, the 'Ijarah' transactions are accounted for in the following manner:

- Muj'ir (lessors) presents the assets subject to Ijarah in their balance sheet according to the nature of the asset, distinguished from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expenses.
- Ijarah income is recognised in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

Consequently, in preparation of these financial statements the Modaraba has treated leasing transactions in accordance with the requirements of IFAS 2 as a result a Muj'ir (Lessors) and in accordance with requirement of IFRS 16 as a Mustajir (Lessee) as disclosed in note 3.5.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention unless stated otherwise.

These financial statements have been prepared following accrual basis of accounting except for cash flow statement.

2.3 Functional and presentation currency

Items included in the financial statements 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 estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period effected. In the process of applying the Modaraba's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

2.5 Useful lives, pattern of flow of economic benefits and impairment

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the analysis by the management of the Modaraba. Further, the Modaraba reviews the value of the assets for possible impairment on an annual basis and any change in the estimates in the future might affect the carrying amount of respective item of fixed assets, with a corresponding effect on the depreciation charge and impairment.

2.6 Provision against non-performing ijarah rental receivables and operation and maintenance income receivables

The Modaraba reviews its doubtful debts at each reporting date to assess whether provision should be recorded in the profit and loss account in addition to the mandatory provision required in accordance with the Prudential Regulations issued by the SECP. In particular, judgment by management is required in the estimates of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

2.7 Stores, spare parts and loose tools

The Modaraba reviews the net realisable value of spare parts and loose tools to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of spare parts with a corresponding effect on the profit and loss account of those future years.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards / amendments that are effective in current year and are relevant to the Modaraba

The Modaraba has adopted the standards / amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

	Effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments - amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 16 Leases - Original Issue	July 01, 2018

Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:

Annual improvements to IFRSs (2015 – 2017) Cycle:

IFRS 3 Business Combinations	January 01, 2019
IFRS 11 Joint Arrangements	January 01, 2019
IAS 12 Income Taxes	January 01, 2019
IAS 23 Borrowing Costs	January 01, 2019

3.2 Standards / amendments that are effective in current year and not relevant to the Modaraba

The following amendments to the approved accounting standards as applicable in Pakistan that are effective in current year and not relevant to the Modaraba:

IFRS 8 Operating Segments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 4 Regulatory Deferral Accounts - Original Issue	January 01, 2019
IAS 19 Employee benefits - Amendments regarding plan amendments, curtailments or settlements	January 01, 2019

	Effective date (annual periods beginning on or after)
IAS 28 Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures	January 01, 2019
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

3.3 Amendments not yet effective

The following amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.	January 01, 2020
IFRS 3 Business Combinations - amendments to clarify the definition of a business	January 01, 2020
IFRS 3 Business Combinations - amendments updating a reference to the Conceptual Framework	January 01, 2022
IFRS 4 Insurance Contracts - Amendments regarding the expiry date of the deferral approach	January 01, 2023
IFRS 7 Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020
IFRS 9 Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020
IFRS 9 Accounting Policies, Changes in Financial Instruments - Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2023
IFRS 16 Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	January 01, 2020
IFRS 17 Insurance Contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published	January 01, 2023

		Effective date (annual periods beginning on or after)
IAS 1	Presentation of Financial Statements - amendments regarding the definition of materiality	January 01, 2020
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities	January 01, 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of materiality	January 01, 2020
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 01, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous	January 01, 2022
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020

The annual improvements to IFRSs that are effective from the dates mentioned below against respective standards:

Annual improvements to IFRSs (2018 – 2020) Cycle:

IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2022
IFRS 9	Financial Instruments	January 01, 2022
IFRS 41	Agriculture	January 01, 2020

3.4 Standards or interpretations not yet effective

The following new standards have been issued by the International Accounting Standards Board (IASB), which have been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance Contracts

The Modaraba expects that the adoption of the other amendments and Interpretations of the standards will not have any material impact and therefore will not affect the Modaraba's financial statements in the period of initial application.

3.5 IFRS 16 - Leases

IFRS 16 'Leases' was issued on January 01, 2016. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after January 1, 2019. IFRS 16 replaced IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease'. The Company applied IFRS 16 with a date of initial application of July 01, 2019.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained.

At inception of a contract, the Modaraba assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Previously, the Modaraba classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Modaraba and, therefore, charged leased payments to statement of profit or loss under operating leases.

On adoption of IFRS 16, the Modaraba recognised a right-of-use asset and lease liability for all contracts that are or contain a lease at the commencement date except for short-term leases of 12 months or less and low value. Right-of-use assets are measured at their carrying amounts as if IFRS 16 had been applied since the beginning of current period.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Modaraba used its incremental borrowing rate as the discount rate as at July 01, 2019.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit and loss account. Short-term leases are leases with a lease term of 12 months or less.

Right-of-use assets are included in fixed assets, the lease liability is shown separately as current and non-current in the balance sheet, and interest on the lease liability is included in finance cost.

Transition method and practical expedients utilised

The Modaraba applied IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of Initial application (July 01, 2019), without restatement of comparative figures.

The Modaraba used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition to IFRS 16, the Modaraba recognised right-of-use assets and lease liability recognising the difference in retained earnings on the date of initial application as follows;

	July 01, 2019 (Rupees)
Property, plant and equipment	
Right-of-use assets - leasehold improvement	25,240,663
Lease liabilities	
Non-current	10,917,311
Current	14,323,352
	<u>25,240,663</u>
Retained earnings	<u>-</u>

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except for change in accounting policy as disclosed in note 3.5 to these financial statements.

4.1 Revenue recognition

Revenue is recognised to the extent that the economic benefits will flow to the Modaraba and revenue can be reliably measured. Revenue is recognised at fair value of consideration received or receivable. Revenue from different sources is recognised on the following basis:

4.1.1 Ijarah rentals

Ijarah rentals are recognised as income on an accrual basis, as and when rentals become due.

4.1.2 Operation and maintenance services

Revenue from operation and maintenance services is recognised when the related services have been rendered.

4.1.3 Income on deposit accounts with banks

Returns on bank deposits are recognized on accrual basis.

4.2 Fixed assets

a) Owned - in use

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the items.

The cost of replacing part of an item of fixed asset is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Modaraba and its cost can be measured reliably. Normal repairs and maintenance are charged to profit and loss account as and when incurred; major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Depreciation

Depreciation on fixed assets, other than generators is charged to profit and loss account applying straight line method over 1.5 to 10 years.

Generators are depreciated on straight line basis having useful life of 5 years.

Subsequent costs are included in the asset's carrying amount are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account as and when incurred. The residual values, useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation is charged on additions from the month the asset is available for use and on disposals upto the month preceding the month of disposal.

b) Ijarah Assets

These are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account as and when incurred. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation

Depreciation on fixed assets, other than generators and certain machinery is charged to profit and loss account applying straight line method over 2 to 10 years.

Generators and certain machinery are depreciated on actual hours used or minimum standard hours calculated on the basis of life allotted to them, whichever is higher.

c) Gains or losses on disposal

An item of fixed asset is derecognised upon disposal. Gains or losses on disposal of an item of fixed asset are recognised in the profit and loss account.

d) Capital work in progress

Capital work-in-progress, if any, is stated at cost less accumulated impairment losses, if any, and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to the relevant category of fixed assets / Ijarah assets as and when the assets are available for intended use.

e) Right of use asset

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Modaraba at the end of the lease term or if the cost of the asset reflects that the Modaraba will exercise the purchase option, depreciation is charged over the useful life of asset.

f) Lease liability against right-of-use assets

At the commencement date of the lease, the Modaraba recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Modaraba determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Modaraba cannot readily determine the discount rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities.

4.3 Intangible assets

Intangible assets having an indefinite useful life are stated at cost less accumulated amortisation and impairment losses, if any.

Costs associated with maintaining these assets are charged to profit and loss account as and when incurred, however, costs that are directly attributable to the identifiable asset have probable economic benefits, are recognised as intangible asset.

All intangible assets are estimated to have definite useful lives and are amortised using the straight line method over a period of 5 years. Amortisation on addition is charged from the month on which asset is available for use up to the month preceding the disposal of asset.

The assets' amortization method and useful lives are reviewed on annual basis. The effect of any adjustment to amortization method and useful lives is recognised prospectively as a change in accounting estimate. Gain or loss on disposal of intangible assets, if any, is taken to the profit and loss account in the period in which these arise.

4.4 Financial instruments

Financial assets and financial liabilities are recognized when the Modaraba becomes a party to the contractual provisions of the Instrument and de-recognized when the Modaraba loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

4.4.1 Financial assets

The Modaraba classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Modaraba as at statement of financial position date are carried at amortized cost.

4.4.2 Amortized cost

A financial asset is measured at amortized cost if both the following conditions are met and is not designated at fair value through profit or loss:

- i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Provision for doubtful debts

The Modaraba recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Modaraba measures loss allowance at an amount equal to lifetime ECLs or Prudential Regulations for Modarabas whichever is higher.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Modaraba is exposed to credit risk.

At each reporting date, the Modaraba assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Modaraba has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

4.4.3 Financial liabilities

All financial liabilities are recognized at the time when the Modaraba becomes a party to the contractual provisions of the instrument.

Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Derecognition

The financial assets are de-recognized when the Modaraba loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

4.4.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Modaraba has a legally enforceable right to set-off the recognized amounts and also intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

4.5 Impairment

Non-financial assets

The Modaraba assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss for other assets subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognised for the asset in prior years. Reversal of impairment loss is recognised as income.

4.6 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, balances at banks in current and deposit accounts. Short term running finances, if any, that are repayable on demand and form an integral part of the Modaraba's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

4.7 Taxation

4.7.1 Current tax

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credit and tax rebates realisable, if any. Under clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, the non-trading income of modarabas is exempt from income tax, provided not less than 90% of its profits, after appropriation to statutory reserves as required under Modaraba Regulations, are distributed to the certificate holders.

4.7.2 Deferred tax

The Modaraba accounts for deferred taxation on all material temporary differences using the liability method arising between the amounts attributed to assets and liabilities for financial reporting purposes and for taxation purposes. However, deferred tax liability has not been provided in these financial statements as the management believes that the future income of Modaraba will not be taxable in the foreseeable future due to the fact that the Modaraba intends to continue availing the tax exemption through profit distribution to the extent of 90 percent of distributable profit.

4.8 Provisions

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

4.9 Foreign currency translation

Foreign currency transactions during the period, if any, are translated into Pakistani Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies, if any, at the balance sheet date are translated into Pakistani Rupees at the rates of exchange prevailing on the balance sheet date. Exchange gains and losses on translation are included in profit and loss account.

4.10 Profit distribution and other appropriations of profit

Profit distributions to the certificate holders and other appropriations of profit are recognized in the period in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which these relate.

4.11 Earnings per certificate

The Modaraba presents earnings per certificate (EPC) data for its certificates. Basic EPC is calculated by dividing the profit or loss attributable to certificate holders of the Modaraba by weighted average number of certificates outstanding during the period. Diluted EPC is determined by adjusting the profit or loss attributable to certificate holders and the weighted average number of certificates outstanding for the effects of all dilutive potential certificates.

4.12 Related party transactions

All transactions with the related parties are priced on arm's length basis.

4.13 Preliminary expenses and floatation cost

Preliminary expenses and floatation costs represent expenses incurred in respect of issue of modaraba certificates to the public inclusive of cost of organization and floatation of the Modaraba, cost of printing, publication and distribution of prospectus, underwriting expenses, commission to the bankers to the issue and brokerage etc. This cost shall be amortized over the period of 3 years as per Third Schedule of Modaraba Companies and Modaraba Rules, 1981.

4.14 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of cost determined on weighted average basis and net realisable value. Cost comprises invoice value and other cost incurred in bringing the spare parts and loose tools to their present location and condition. Items in transit are stated at cost comprising invoice value plus other charges paid thereon up to the reporting date. The Modaraba reviews the carrying amount of spares and loose tools on a periodic basis and provision is made for slow moving and obsolescence on periodic basis.

4.15 Ijarah rentals and operation and maintenance income receivable

These are stated at amount receivable which is fair value of consideration receivable for services rendered, less an estimate made for doubtful receivables based on review of outstanding amounts as per Prudential Regulations for Modarabas and using expected credit losses model (ECL) as required by IFRS 9 as at year end date. Balances considered bad and irrecoverable are written off when identified.

4.16 Loan, advances and other receivable

These are stated at cost less provisions for Impairment. Modaraba applies the IFRS 9 general approach for measuring expected credit losses on Loan, advances and other receivables which uses 12 month expected allowance. Since these assets are short term in nature, therefore, no credit loss is expected on these balances whereas, simplified approach is applied for measuring expected credit losses which uses a life time expected loss allowance for all other financial assets. Full provision is made against the receivables considered doubtful. Receivables considered Irrecoverable are written off.

4.17 Staff retirement benefits

Defined contribution plan

The Modaraba has recognised contributory Provident Fund ("the Fund") for all its permanent employees. Equal monthly contributions to the Fund is being made both by the Modaraba and by the employees, at the rate of 10% of basic pay.

4.18 Creditors, accrued and other liabilities

These are recognized and carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

4.19 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 has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

A business segment is a distinguishable component of the Modaraba that is engaged in providing related products or services and which is subject to risks and rewards that are different from those of other segments. The Modaraba's primary format for segment reporting is based on 'business segments' as the Modaraba conducts its operations only in Pakistan.

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 with respect to the two operating segments.

4.20 Diminishing musharaka financing payable

Diminishing musharaka financing payable is recognized initially at cost, less attributable transaction costs. Subsequent to initial recognition, this is stated at original cost less principal repayments.

	<u>Note</u>	<u>2020 (Rupees)</u>	<u>2019 (Rupees)</u>
5 FIXED ASSETS			
Operating fixed assets	5.1	1,185,274,412	1,187,432,747
Capital work in progress	5.4	-	8,313,161
Right of use asset - Leasehold land	5.2	13,125,139	-
		<u>1,198,399,551</u>	<u>1,195,745,908</u>

5.1 Operating fixed assets

The following is the statement of fixed assets

Description	2020 (Rs. in Lakhs)		2019 (Rs. in Lakhs)	
	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
Generators				
At cost	1,047,932,367	65,167,951	1,134,655,539	8,985,646
Accumulated depreciation	(164,081,391)	30,102,827	51,643,021	3,116,074
Net book value	883,850,976	35,065,124	1,083,012,518	5,869,572
Motor vehicles				
At cost	1,24,112,114	(14,427,235)	1,09,684,879	(1,73,127)
Accumulated depreciation	(1,08,321,454)	24,875,427	95,049,442	14,504,928
Net book value	15,790,660	10,448,192	14,635,437	14,814,652
Land and buildings				
At cost	1,294,281,858	84,408,352	1,438,891,224	14,797,462
Accumulated depreciation	(283,585,520)	60,560,259	1,05,330,790	17,284,136
Net book value	1,010,696,338	23,848,093	1,383,560,434	17,513,326
Leasehold improvements				
At cost	1,294,281,858	84,408,352	1,438,891,224	14,797,462
Accumulated depreciation	(283,585,520)	60,560,259	1,05,330,790	17,284,136
Net book value	1,010,696,338	23,848,093	1,383,560,434	17,513,326
Other fixed assets				
At cost	1,055,071,422	52,194,685	1,106,696,105	2,221,715
Accumulated depreciation	(98,264,438)	25,985,616	23,328,613	1,45,539,867
Net book value	956,806,984	26,209,069	1,083,367,492	2,076,175
Right of use assets				
At cost	1,047,932,367	65,167,951	1,134,655,539	8,985,646
Accumulated depreciation	(164,081,391)	30,102,827	51,643,021	3,116,074
Net book value	883,850,976	35,065,124	1,083,012,518	5,869,572
Life (years)	5	5	5	5

5.1.1 This includes generators and related equipments acquired by the Modaraba amounting to Rs. 71,347 million and Rs. 134,153 million (2019: Rs. 101,449 million and Rs. 111 million) from Orient Energy Systems (Private) Limited and Orient Energy Systems (Pvt.) Ltd. respectively.

5.1.2 This includes generators, machinery and equipments, and motor vehicles taken under financing lease amounting to Rs. 620,124 million (2019: Rs. 530 million) and Rs. 5.61 million (2019: nil) respectively.

5.2

Right of use assets - Leasehold land

The recognised right of use assets relate to the following types of assets:

Description	2020 (Rs. in Lakhs)		2019 (Rs. in Lakhs)	
	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
Leasehold land				
Balance as at July 1, 2019	13,125,139	-	13,125,139	-
Depreciation charge during the year	25,240,663	-	25,240,663	-
	(1,211,524)	-	(1,211,524)	-
	13,125,139	-	13,125,139	-
Breakdown of depreciation is as follows:				
Operating expenses	22	163,315,248	123,907,760	
Administrative expenses	23	6,755,071	306,660	
		170,070,319	124,214,420	

5.3 Details of disposal of fixed assets are as follows:

Particulars	Cost of asset	Accumulated depreciation	Carrying value	Sale proceeds	Gain / (loss) on disposal	Made of disposal	Purchaser
Items of book value not below Rs. 500,000 each							
Generators	160,311,500	14,334,651	145,976,849	114,285,714	(31,691,135)	Negotiation	Time ceramics
Transformers	2,500,000	875,000	1,625,000	2,857,143	1,232,143	Negotiation	ZRK Industries
	<u>162,811,500</u>	<u>15,209,651</u>	<u>147,601,849</u>	<u>117,142,857</u>	<u>(30,458,992)</u>		

5.4 Capital work-in-progress

Civil works
Generators under overhauling

Note	2020 (Rupees)	2019 (Rupees)
5.4.1	-	3,913,287
	-	<u>4,399,874</u>
	-	<u>8,313,161</u>
Civil work	Generators under overhauling	Total
Year ended June 30, 2020		
Opening balance	3,913,287	4,399,874
Additions (at cost)	9,945,517	13,905,650
Transferred to operating fixed assets	<u>(13,858,804)</u>	<u>(18,305,524)</u>
Closing balance	-	-
Year ended June 30, 2019		
Closing balance	<u>3,913,287</u>	<u>4,399,874</u>
		<u>8,313,161</u>

5.4.1 This represented the construction of yard/workshop for the purpose of maintenance and service of generators located at Korangi Industrial Area, Karachi.

6 INTANGIBLE ASSETS

Net carrying value basis year end June 30, 2020

Software and license

Opening net book value (NBV)

Amortisation on software and license

Closing net book value (NBV)

404,744	513,195
<u>(404,744)</u>	<u>(108,451)</u>
-	<u>404,744</u>

Gross carrying value basis year ended June 30, 2020

Cost

Accumulated amortization

Net book value

513,195	513,195
<u>(513,195)</u>	<u>(108,451)</u>
-	<u>404,744</u>

		2020 (Rupees)	2019 (Rupees)
7 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Preliminary expenses and floatation costs		11,955,684	23,911,368
Less: Amortization of preliminary expense and floatation cost		<u>(11,955,684)</u>	<u>(11,955,684)</u>
		<u>-</u>	<u>11,955,684</u>
7.1 Preliminary expenses and floatation costs have been amortised over the period of 3 years as per Third Schedule of Modaraba Companies and Modaraba Rules, 1981.			
8 LONG TERM DEPOSIT			
Security deposit		<u>4,698,000</u>	<u>4,698,000</u>
9 STORES, SPARE PARTS AND LOOSE TOOLS			
Spare parts and loose tools	9.1	<u>51,813,705</u>	<u>26,632,841</u>
9.1 Spare parts and loose tools consists of items related to generators and machines.			
10 RECEIVABLES			
Unsecured			
Ijarah rentals receivables	10.1	107,858,665	116,755,041
Operation and maintenance income receivables	10.3	<u>88,324,077</u>	<u>52,026,222</u>
		<u>196,182,742</u>	<u>168,781,263</u>
10.1 Ijarah rentals receivables			
Considered good		80,827,892	89,513,124
Non-performing portfolio (classified portfolio)		53,142,474	50,114,170
Less : Provision against potential Ijarah losses	10.2	<u>(26,111,701)</u>	<u>(22,872,253)</u>
		<u>27,030,773</u>	<u>27,241,917</u>
		<u>107,858,665</u>	<u>116,755,041</u>
10.2 Provision against potential Ijarah losses			
Opening balance		22,872,253	9,959,104
Charged during the year		6,871,564	19,349,051
Reversal during the year		<u>(3,632,116)</u>	<u>(6,435,902)</u>
Closing balance		<u>26,111,701</u>	<u>22,872,253</u>

		2020 (Rupees)	2019 (Rupees)
10.3 Operation and maintenance income receivable			
Considered good		77,799,140	50,988,253
Non-performing portfolio (classified portfolio)		41,720,571	24,667,114
Less : Provision against potential loss on operation and maintenance income receivable	10.4	(31,195,634)	(23,629,145)
		<u>10,524,937</u>	<u>1,037,969</u>
		<u>88,324,077</u>	<u>52,026,222</u>
10.4 Provision against potential loss on operation and maintenance income receivable			
Opening balance		23,629,145	11,449,050
Charged during the year		7,566,489	21,539,145
Reversal during the year		-	(9,359,050)
Closing balance		<u>31,195,634</u>	<u>23,629,145</u>
11 LOANS, ADVANCES AND OTHER RECEIVABLE			
Insurance claim receivable		2,448,227	2,606,759
Sales tax adjustable	11.1	44,984,793	14,532,622
Loans and advances to staff	11.2	3,365,437	5,225,297
Earnest money		1,913,766	2,548,935
Advances and prepayments	11.3	9,534,509	9,858,225
Security deposit		1,109,500	787,422
Profit receivable from bank		166,396	70,337
Other receivables		972,232	-
		<u>64,494,860</u>	<u>35,629,597</u>
11.1 This amount includes sales tax input adjustable on account of purchase of fixed assets.			
11.2 This includes an amount of Rs. 2.104 million (2019: Rs. 1.650 million) related to advance against expenses and Rs. 1.261 million (2019: Rs. 3.574 million) related to loan to staff which is secured against staff provident fund.			
11.3 This includes Rs. 0.613 million (2019: Rs. 0.88 million) receivable from Eman Management (Private) Limited, an associated company.			
12 TAX REFUNDS DUE FROM GOVERNMENT			
Advance income tax		<u>142,723,259</u>	<u>124,674,355</u>

The Income of the Modaraba is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Furthermore, the Modaraba is exempt under clause 47(b) of part IV of Second Schedule of ITO 2001 from withholding of tax under sections 151 and 153 of ITO 2001 and also the Modaraba is exempt under section 236Q from withholding tax from payment by way of advance to a resident person for use or right to use Industrial, commercial and scientific equipment.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-VolII- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During this period and prior periods, prior to receiving tax exemption certificate(s) from CIR, various withholding agents have deducted advance tax under sections 153 and 236Q of ITO 2001. The management has submitted application for refund.

	Note	2020 (Rupees)	2019 (Rupees)
13 CASH AND BANK BALANCES			
Cash in hand		544,666	37,905
Balances with banks			
Current accounts		4,630,797	3,697,052
Deposit accounts	13.1	13,667,261	35,130,749
		18,298,058	38,827,801
		18,842,724	38,865,706

13.1 These balances carry profit at rates ranging from 3.5% to 6.5% per annum (2019: 4.15% to 4.69%).

14 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

2020 Number of certificates	2019 Number of certificates		2020 (Rupees)	2019 (Rupees)
75,000,000	75,000,000	Modaraba certificates of Rs. 10 each fully paid in cash	750,000,000	750,000,000

14.1 Eman Management (Private) Limited (the Management Company) held 7,500,000 (10%) certificates of Rs. 10 each as at June 30, 2020 (2019: 7,500,000).

15 STATUTORY RESERVE

Statutory reserve represents profits set aside to comply with the Prudential Regulations for Modarabas issued by Securities and Exchange Commission of Pakistan. These regulations require a Modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that reserves equal 100% of the paid-up capital. Thereafter, a sum not less than 5% of after tax profit is to be transferred. During the current year, the Modaraba has transferred an amount of Rs. 15.152 million (2019: Rs. 20.547 million) which represents 50% (2019: 20%) of the profit after tax.

	Note	2020 (Rupees)	2019 (Rupees)
16 DIMINISHING MUSHARAKA FINANCING			
(Secured)			
Diminishing musharaka financing		493,085,211	451,250,000
Due within one year	163	(28,861,725)	(160,000,000)
		<u>464,223,486</u>	<u>291,250,000</u>

16.1 Movement in diminishing musharaka financing

Balance as at July 01, 2019	451,250,000	460,000,000
Diminishing musharaka financing obtained during the year	163,917,749	40,000,000
Repaid during the year	(122,082,538)	(48,750,000)
Balance as at June 30, 2020	<u>493,085,211</u>	<u>451,250,000</u>

16.2 The total facility from Musharaka finance available from financial institutions and Modaraba amounts to Rs. 700 million and Rs. 12.913 million respectively. These facilities have maturities from March 2019 to December 2024 (2019: March 2019 to October 2022) and are secured against the hypothecation of Ijarah assets. Share of profit payable on these facilities is 12.80% to 15.25% per annum (2019: 8.00% to 11.14% per annum).

16.3 Due to the prevailing conditions amid COVID-19, as further detailed in note 42 to the financial statements, the State Bank of Pakistan has issued BPRD Circular Letter No. 13 of 2020 (Para 3(a) of Regulation R-8 - Rescheduling / Restructuring of Financing Facilities) dated March 26, 2020 whereby certain relief measures were allowed in the Prudential Regulations for Modarabas. In pursuance of the above mentioned BPRD Circular, SECP vide circular No. 15 of 2020 dated April 24, 2020 has allowed relaxation to Modarabas in terms of serial No. 5 of Part III of circular No. 4 of 2004 dated January 28, 2004. Accordingly, during the year, diminishing musharaka financing from certain banks amounting to Rs. 487.690 million was restructured by Modaraba. However, the rescheduling of diminishing musharaka financing does not have an impact on these financial statements.

17 LEASE LIABILITY

Lease liability	14,323,352	-
Due within one year	(13,144,322)	-
	<u>1,179,030</u>	<u>-</u>

17.1 Movement in lease liability

Balance as at July 01, 2019	-	-
Lease liability obtained during the year	25,240,663	-
Repaid during the year	(10,917,311)	-
Balance as at June 30, 2020	<u>14,323,352</u>	<u>-</u>

Maturity analysis-contractual undiscounted cashflow

Less than one year	14,244,878	-
One to five year	1,191,802	-
Total undiscounted cash flow	<u>15,436,680</u>	<u>-</u>

When measuring lease liability, the Modaraba discounted lease payment using its incremental borrowing rate of 13%.

	Note	2020 (Rupees)	2019 (Rupees)
18 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Remuneration payable to Modaraba Management Company	25	3,486,247	11,818,671
Creditors for spare parts and fixed assets	18.1	252,652,430	133,168,666
Ijarah rental payable		5,488,143	23,103,792
Advances / deposits from customer		20,828,132	19,643,030
Withholding Income and sales tax payable		16,239,369	8,624,014
Accrued liabilities		22,521,110	25,218,185
Payable to Provident Fund	18.2	4,562,299	3,849,443
Accrued profit on diminishing musharaka financing		8,830,941	8,240,423
Provision for Sindh Workers' Welfare Fund	18.3	4,174,297	3,555,837
Provision for bonus	18.4	-	43,720,995
Provision for indirect taxes		3,058,955	2,605,743
		341,841,923	283,548,799

18.1 This amount includes Rs. 227.761 million (2019: Rs. 106.489 million) in respect of purchase of spare parts and loose tools and service and maintenance charges and overhauling / purchase of generators, accessories and equipment payable to Orient Energy Systems (Private) Limited, an associated company.

18.2 The Company operates defined contribution provident fund (the Fund) maintained for its permanent employees. Equal monthly contributions at the rate of 10% of the basic salary are made to the Fund both by the Company and the employees.

The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and conditions specified thereunder.

18.3 As a consequence of the 18th amendment to the Constitution, levy for the WWF was introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on May 21, 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs.500,000 or more in any year of account commencing on or after the date of closing of account on or after December 31, 2013, to pay two percent of so much of its total income declared to SWWF.

The Modaraba is of the view that Sindh WWF Act is limited to the province of Sindh and the definition of total income as provided for in the SWWF encompasses the total income of an assessee for whole of the country i.e. for all provinces, thus in lieu of the definition of the total income under SWWF, 2% contribution to be paid is not limited to the province of Sindh. The Modaraba has its operations all across Pakistan therefore total income declared in its tax return is a cumulative sum of income for all provinces. Thus, for this reason the definition of total income as provided in SWWF is not correct and charging of WWF is ultra vires of the legislative power conferred upon the province of Sindh.

As a result, the Modaraba is of the view that unless there is a mechanism of apportionment of the total income relevant to the province of Sindh, SRB has no legal authority to demand and/or collect SWWF from the Modaraba. However, the Modaraba as a matter of abundant precaution has recognized provision for SWWF amounting to Rs. 4.175 million in these financial

	2020 (Rupees)	2019 (Rupees)
18.4 Provision for bonus		
Opening balance	43,720,995	-
Provision during the year	-	43,720,995
Reversal during the year	(43,720,995)	-
Closing balance	-	43,720,995

Due to impact of Covid 19, management has decided to reverse provision for bonus, which was recognized in preceding year.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

The Assistant Commissioner – Sindh Revenue Board (SRB) issued an order 408 of 2019 demanding Sindh Sales Tax of Rs. 51.4 million including penalty amounting to Rs. 2.5 million for Ijara Rental Income of the Modaraba without considering that the Modaraba are operating in other provinces where Sindh Sales Tax Act, 2011 is not applicable and without considering that Sindh government has inserted renting of machinery, equipment, appliances and other tangible goods in Second Schedule of Sindh Sales Tax on Services Act, 2011 at the rate of 13% by Finance Act 2019-20. Further by notification number SRB-3-4/21/2019 dated July 01, 2019 the Sindh government has also introduced reduced rate 5% on above-mentioned services; however, input adjustment will not be allowed. Further, subsequent to the period end the Modaraba has lodged appeal number 306/2019 with Commissioner Appeal dated January 01, 2020 and simultaneously the Modaraba has lodged constitutional petition number D-352 of 2020 with High Court for pursuing case legally and High Court has provided stay against SRB for taking any coercive action against Modaraba via its order number 1521,22,23 / 2020 dated January 01, 2020.

The legal advisor of the Modaraba believes that the outcomes of the appeal will be in favor of the Modaraba and hence no provision has been made in this financial statement.

19.2 Commitments

19.2.1 Contractual rentals receivable on Ijarah contracts

Future minimum Ijarah receivables on the basis of Ijarah agreements executed up to June 30, 2020 are as follows:

	Ijarah rentals receivables	Ijarah rentals receivables
Receivables - not later than one year	453,834,400	316,834,646
Receivables - later than one year and not later than five years	7,540,000	8,030,000
	<u>461,374,400</u>	<u>324,864,646</u>
	Operation and maintenance Income receivables	Operation and maintenance Income receivables
Receivables - not later than one year	62,009,922	80,231,058
Receivables - later than one year and not later than five years	2,171,052	-
	<u>64,180,974</u>	<u>80,231,058</u>

19.2.2 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 June 30, 2020 (2019) are as follows:

	Ijarah rentals payable 2020 (Rupees)	Ijarah rentals payable 2019 (Rupees)
Payables - not later than one year	145,244,175	184,350,504
Payables - later than one year and not later than five years	-	92,175,252
	<u>145,244,175</u>	<u>276,525,756</u>

Due to prevailing conditions amid Covid-19, the Modaraba has approached Orx Leasing Pakistan (OLP) for relaxation in terms of payments of Ujarah. Consequently the installments payable was restructured by OLP. However, the re-scheduling of installments does not have any impact on these financial statement.

Due to restructuring, Ujarah facility will end on January 15, 2021, therefore, it is classified as short term lease.

	Note	2020 (Rupees)	2019 (Rupees)
20 IJARAH RENTALS - NET			
Ijarah rentals	20.1	771,721,462	878,827,550
Less: Sales tax		(55,467,635)	(37,289,502)
		<u>716,253,827</u>	<u>841,538,048</u>
20.1 This includes sub-Ijarah income amounting to Rs. 305.170 million (2019: Rs. 403.298 million).			
21 OPERATION AND MAINTENANCE INCOME - NET			
Operation and maintenance income		499,153,464	485,279,570
Less: Sales tax		(54,347,163)	(52,056,219)
		<u>444,806,301</u>	<u>433,223,351</u>
22 OPERATING EXPENSES			
Salaries and allowances	22.1	466,107,812	534,394,220
Repair, maintenance and related cost	22.2	78,358,135	81,219,447
Depreciation	5.1	163,325,248	123,907,760
Ijarah payments	22.3	129,234,176	179,875,426
Insurance		56,024,467	46,602,475
Fuel, freight and transportation		24,496,470	30,488,017
Staff accommodation and meals		12,434,155	11,056,177
Yard rent and related expenses		7,011,721	17,853,588
Utilities and communication		3,568,623	1,794,787
Others		3,817,772	2,817,145
		<u>944,378,579</u>	<u>1,030,009,042</u>

22.1 This includes contribution of Rs. 22.690 million (2019: Rs. 9.741 million) to the staff provident fund.

22.2 This amount includes consumable parts and loose tools purchased and service and maintenance charges amounting to Rs. 77.121 million (2019: Rs. 40.808 million) and Rs. 8.464 million (2019: Rs. 31.547 million) respectively, acquired from Orient Energy Systems (Private) Limited, an associated company.

22.3 This represents quarterly installments paid to ORIX Leasing Pakistan Limited against 69 (2019: 69) generators obtained on Ijarah.

	Note	2020 (Rupees)	2019 (Rupees)
23 ADMINISTRATIVE EXPENSES			
Salaries and allowances	23.1	28,498,965	24,164,665
Utilities, postage and communication		3,115,304	1,503,764
Printing and stationary		1,423,300	1,187,692
Depreciation	5.1	6,755,071	306,660
Fee and subscription		2,116,641	1,057,900
Legal and professional charges		1,998,393	3,947,784
Shariah advisor fee		675,000	666,672
Fuel and transportation		1,092,018	722,247
Auditors' remuneration	23.2	533,400	442,400
Education and training		633,661	138,845
Cleaning and maintenance		173,270	156,798
IT related services		4,407,000	1,802,350
Amortisation on intangible assets	6	404,744	108,451
Other expenses		1,894,577	1,387,629
		53,721,344	37,593,856

23.1 This includes contribution of Rs. 1.353 million (2019: Rs. 0.851 million) to the staff provident fund.

23.2 Auditors' Remuneration

Annual fee	275,000	250,000
Half yearly review fee	150,000	125,000
Certification fee	32,400	32,400
Out of pocket expenses	76,000	35,000
	533,400	442,400

24 FINANCE COST

Financial charges on Diminishing Musharaka Financing	65,781,437	48,978,314
Financial charges on lease liability	2,649,239	-
Bank charges	366,012	200,653
	68,796,688	49,656,367

25 MODARABA MANAGEMENT COMPANY'S FEE

In accordance with the Modaraba Companies and Modaraba Rules, 1981, the Modaraba has accrued management fee at the rate of 10% of profits during the year which is payable to the Modaraba Management Company amounting to Rs. 3.486 million (2019 Rs. 11.818 million). Furthermore, during the current year, an amount of Rs. 0.453 million (2019 Rs. 1.536 million) at the rate of 13% was charged on account of sales tax on management fee levied under Sindh Sales Tax on Services Act, 2011.

26 TAXATION

As per the Second Schedule to the Income Tax Ordinance, 2001, any Income, not being Income from 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 profits 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 financial statements.

27 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

The earnings per certificate as required under IAS 33 "Earnings per share" is given below:

	2020 (Rupees)	2019 (Rupees)
Profit for the year	30,304,554	102,734,977
Weighted average number of certificates outstanding	75,000,000	75,000,000
Earnings per certificate - Basic and diluted (Rupees)	0.40	1.37

27.1 There were no convertible dilutive potential ordinary certificates outstanding as on June 30, 2020 which have dilutive effect on earnings per certificate.

28 REMUNERATION TO THE EXECUTIVE OFFICER AND EMPLOYEES

The aggregate amount charged in the financial statements for remuneration, including all benefits to Executives and other employees of the Modaraba is as follows:

	Executives		Other employees		Total	
	2020 (Rupees)	2019 (Rupees)	2020 (Rupees)	2019 (Rupees)	2020 (Rupees)	2019 (Rupees)
Basic salary	59,998,592	36,092,678	221,634,578	241,141,417	281,633,170	277,234,095
Bonus	-	5,180,609	-	38,540,385	-	43,720,994
House rent allowance	26,999,340	15,470,230	99,735,151	107,542,932	126,734,491	123,013,162
Utility allowance	5,999,883	3,437,836	22,164,071	23,898,367	28,163,954	27,336,203
Vehicle allowance	14,158,408	6,514,035	2,703,716	7,142,170	16,862,124	13,656,205
Conveyance allowance	266,775	-	370,238	1,629,688	637,013	1,629,688
Provident Fund	5,801,693	3,307,937	18,241,786	7,283,865	24,043,479	10,591,802
Contribution to Employees' old age benefit	209,869	40,300	7,539,872	18,783,917	7,749,741	18,824,217
Medical benefits	5,023,683	2,458,927	4,934,250	9,325,022	9,957,933	11,783,949
Others	3,195,777	319,379	39,350,090	30,429,906	42,545,867	30,749,285
	121,654,020	72,821,931	416,673,752	485,717,669	538,327,772	558,539,600
Number of persons	39	13	1,213	1,437	1,252	1,450

29 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:

	2020 (Rupees)	2019 (Rupees)
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	-	-
	750,000,000	750,000,000

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Modaraba's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the Modaraba's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed, based on limits established by the Modaraba Management Company, Modaraba's constitutive documents and the regulations and directives of the SECP. The Modaraba's activities expose it to a variety of financial risks: market risk (including profit rate risk, equity price risk and fair value risk), credit risk and liquidity risk. The Board of Directors of the Modaraba Management Company has overall responsibility for the establishment and oversight of the Modaraba's risk management framework.

The Modaraba's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Modaraba's financial performance.

The Modaraba primarily invests in assets used for Ijarah business. Such investments are subject to varying degrees of risk, which emanate from various factors that include but are not limited to market risk, credit risk and liquidity risk.

30.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

30.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

30.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Modaraba does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

30.4 Liquidity risk

Liquidity risk is defined as the risk that the Modaraba will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Modaraba could be required to pay its liabilities earlier than expected.

The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressful conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation. The table below summarizes the maturity profile of the Modaraba's financial liabilities based on contractual undiscounted payments.

June 30, 2020	Profit rate	Six months or less	Six to twelve months	One to five years	Over five years	Total contractual cashflows
(Rupees)						
Diminishing musharaka financing	1 year KIBOR + 1.5%	-	28,861,725	464,223,486	-	493,085,211
Lease liability		6,330,809	6,813,513	1,179,030	-	14,323,352
Creditors, accrued and other liabilities		341,841,923	-	-	-	341,841,923
Dividend payable		113,763	-	-	-	113,763
Total		348,286,495	35,675,238	465,402,516	-	849,364,249

June 30, 2019	Profit rate	Six months or less	Six to twelve months	One to five years	Over five years	Total contractual cashflows
(Rupees)						
Diminishing musharaka financing	1 year KIBOR + 1.5%	76,666,667	83,333,333	291,250,000	-	451,250,000
Lease liability		-	-	-	-	-
Creditors, accrued and other liabilities		285,365,115	-	-	-	285,365,115
Dividend payable		103,261	-	-	-	103,261
Total		362,135,043	83,333,333	291,250,000	-	736,718,376

30.5 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Modaraba by failing to discharge its obligation. The Modaraba's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the Modaraba's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	2020 (Rupees)	2019 (Rupees)
Receivables	196,182,742	168,781,263
Loans, advances and other receivable	14,673,558	15,936,750
Bank balances	18,298,058	38,827,801
	229,154,358	223,545,814

The credit risk on liquid funds is limited because the counter parties are banks with reasonable high credit ratings. The Modaraba believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties.

All the receivables at the reporting date represent domestic parties. The ageing of receivables at the year-end was as follows:

	2020 (Rupees)	2019 (Rupees)
Not past due	95,643,794	100,740,449
past due by 0 to 90 days	62,983,238	39,760,928
past due by 90 to 180 days	18,106,659	15,797,725
past due by 180 to 360 days	25,556,570	55,289,559
past due by 360 days	51,199,816	3,694,000
	<u>253,490,077</u>	<u>215,282,661</u>
Less: Provision against potential Ijarah losses and operation and maintenance income	<u>(57,307,335)</u>	<u>(46,501,398)</u>
	<u>196,182,742</u>	<u>168,781,263</u>

The Modaraba places its surplus funds with banks carrying good credit standing assessed by reputable credit agencies. As at June 30, 2020 the Modaraba has placed funds with banks having credit ratings as follows:

	Rating Agency	Short term	Long term
Bank Islami Limited	PACRA	A-1	A+
Habib Bank Limited	JCR - VIS	A-1+	AAA
National Bank Limited	JCR - VIS	A-1+	AAA
National Bank Limited	PACRA	A-1+	AAA
MCB Islamic Bank Limited	PACRA	A	A-1
Askari Bank Limited	PACRA	A1+	AA +
Bank of Khyber Limited	PACRA	A1	A
Bank of Khyber Limited	JCR-VIS	A-1	A
Meezan Bank Limited	JCR-VIS	A-1+	AA +

30.6 Financial Instruments by category

Financial assets at amortised cost

Receivables	196,182,742	168,781,263
Loans, advances and other receivable	14,673,558	15,936,750
Bank balances	<u>18,298,058</u>	<u>38,827,801</u>
	<u>229,154,358</u>	<u>223,545,814</u>

Financial liabilities at amortised cost

Diminishing musharaka financing	493,085,211	451,250,000
Creditors, accrued and other liabilities	275,020,060	180,455,995
Lease liability	14,323,352	-
Undivided dividend	113,763	103,261
	<u>782,542,386</u>	<u>631,809,256</u>

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

As at year ended June 30, 2020, the Modaraba does not hold any financial asset or liability measured at fair value. Therefore, fair value hierarchies have not been disclosed.

Further, carrying value of all financial assets and liabilities reflected in financial statements approximate their fair value.

32 CAPITAL RISK MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate-holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit distributed to certificate holders, issue new certificates or sell assets to reduce debt and transfer amount to statutory reserve.

The Modaraba's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

33 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASHFLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities Diminishing musharaka financing	Total
	(Rupees)	(Rupees)
Balance as at July 1, 2019	451,250,000	451,250,000
Addition to diminishing musharaka financing	163,917,749	163,917,749
Repayment of diminishing musharaka financing	(122,082,538)	(122,082,538)
Movement of liabilities to cash flows	41,835,211	41,835,211
Balance as at June 30, 2020	493,085,211	493,085,211
	2020	2019
	(Rupees)	(Rupees)

34 NON-CASH INVESTING AND FINANCING ACTIVITIES

Acquisition of leasehold land by means of finance lease	25,240,663	-
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35 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:

35.1 Transactions during the year

<u>Relationship with the Modaraba</u>	<u>Nature of transactions</u>	<u>2020 (Rupees)</u>	<u>2019 (Rupees)</u>
Associated company Orient Energy Systems (Private) Limited	Purchase / overhauling of:		
	- generators	60,201,127	70,083,400
	- accessories	11,106,387	14,764,267
	- plant and machinery	-	17,042,000
	- stores, spares and loose tools	104,659,500	38,111,909
	Service and maintenance charges	8,464,383	31,547,639
	Advance rent from customers and staff	-	1,798,165
	Rental for generators	5,990,000	43,787,686
	Operation and maintenance services	437,500	-
Employees' Provident Fund Trust	Contribution for the year	24,043,479	10,591,802
Associated company Orient Energy Systems FZCO	Purchase of generators	134,153,778	-
Modaraba Management Company Eman Management (Private) Limited	Reimbursement of expenses	525,381	-
	Management fees	3,486,247	11,818,671
	Dividend paid	7,500,000	5,175,000
Directors	Dividend paid	12,500,000	8,625,000
Key management personnel	Remuneration	26,492,349	24,010,863
	Contribution to provident fund	1,453,032	1,308,624
	Dividend paid	10,008	6,906

35.2 Year end balances

Relationship with the Modaraba	Nature of transactions	2020 (Rupees)	2019 (Rupees)
Associated company Orient Energy Systems (Private) Limited	Payable against purchase of fixed assets, spare parts & loose tools and service and maintenance charges Receivable against services rendered	232,141,001 2,565,067	106,489,788 5,554,734
Modaraba Management Company Eman Management (Private) Limited	Management fee payable Receivable against PSO fleet charges Outstanding certificates 7,500,000 (2019: 7,500,000)	3,624,926 613,494 75,000,000	11,818,671 88,113 75,000,000
Directors	Outstanding certificates 12,500,000 (2019: 12,500,000)	125,000,000	125,000,000
Key management personnel	Outstanding certificates 10,008 (2019: 10,008)	100,080	100,080

36 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 segments.

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.

36.1 Details of segment revenues, costs, profit, assets and liabilities are as follows:

	Ijarah rentals	Operation and maintenance	Total
	(Rupees)	(Rupees)	(Rupees)
Segments revenues / profits			
For the year ended June 30, 2020			
Revenue	716,253,827	444,806,301	1,161,060,128
Costs	652,679,790	291,698,789	944,378,579
Reportable segment profit	<u>63,574,037</u>	<u>153,107,512</u>	<u>216,681,549</u>
Segments revenues / profits			
For the year ended June 30, 2019			
Revenue	841,538,048	433,223,351	1,274,761,399
Costs	656,089,895	373,919,147	1,030,009,042
Reportable segment profit	<u>185,448,153</u>	<u>59,304,204</u>	<u>244,752,357</u>

Reconciliation of segment wise results with profit after tax is as follows:

	2020	2019
	(Rupees)	(Rupees)
Total results for reportable segments	216,681,549	244,752,357
Other non-operating (loss) / Income	(35,889,917)	2,263,751
Marketing and administrative expenses	54,370,850	42,601,504
Preliminary expenses and floatation costs	11,955,684	11,955,684
Finance costs	68,796,688	49,178,967
(Reversal) / Provision against potential ijarah losses and operation and maintenance income	10,805,937	25,093,244
Other non-operating expenses	4,557,919	15,451,732
	<u>30,304,554</u>	<u>102,734,977</u>

Segment assets / liabilities	Share rentals (Rupees)	Operation and maintenance (Rupees)	Total (Rupees)
As at June 30, 2020			
Segment assets	1,400,313,978	133,937,640	1,534,251,618
Segment liabilities	760,178,961	-	760,178,961
As at June 30, 2019			
Segment assets	1,368,073,135	94,277,946	1,462,351,081
Segment liabilities	615,951,458	-	615,951,458

Reconciliation of segment assets and liabilities with total assets and liabilities in the condensed Interim Balance Sheet is as under;

	2020 (Rupees)	2019 (Rupees)
Total for reportable segment assets	1,534,251,618	1,462,351,081
Unallocated assets	142,903,223	145,037,018
Total assets as per balance sheet	1,677,154,841	1,607,388,099
Total for reportable segment liabilities	760,178,961	615,951,458
Unallocated liabilities	89,185,288	118,950,502
Total assets as per balance sheet	849,364,249	734,902,060

37 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Modaraba Management Company in their meeting held on September 28, 2020 have approved profit distribution at the rate of 1.8% i.e. Re. 0.18 (2019: 10% i.e. Re. 1) per certificate for the year ended June 30, 2020. These financial statements do not reflect this distribution.

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 28, 2020 by the Board of Directors of the Eman Management (Private) Limited.

39 PROVIDENT FUND

The Modaraba operates approved funded contributory provident fund for both its management and non-management employees. The investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified there under.

40 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. Significant reclassification has been made during the year is as follows:

	Payable to Modaraba Management Company	Creditors, accrued and other liabilities
Remuneration payable to Modaraba management Company	11,818,671	11,818,671
Sindh sales tax payable on remuneration of Management	2,605,743	2,605,743
	Operating expenses	Administrative expenses
Utilities	1,794,787	1,794,787
Fees and subscription	67,281	67,281
Legal and professional	312,004	312,004
Cleaning and maintenance	1,243,982	1,243,982
Security charges	765,914	765,914
Depreciation	109,290	109,290
Others	54,286	54,286

These have been reclassified for better presentation.

41 NUMBER OF EMPLOYEES

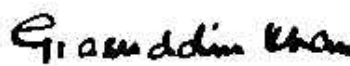
The number of employees as at year end was 1053 (2019: 1,134).

42 GENERAL

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

42.2 The novel coronavirus (COVID-19) emerged and since then, the condition has continued to deteriorate. On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organisation declared the outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is hard predicting at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Modaraba's financial condition or results of operations.

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


Chief Executive Officer


Director


Director


Chief Financial Officer

PATTERN OF CERTIFICATE HOLDING As at June 30, 2020

Categories of certificate holders		Certificateholders	Certificate Held	Percentage
Directors and their spouse(s) and minor children				
	MOHAMMAD SAEED	1	6,250,000	8.33
	NASIM AHMED	1	6,250,000	8.33
Associated Companies, undertakings and related parties				
	ASIN HOLDINGS (PVT.) LIMITED	1	5,000,000	6.67
	EMAN MANAGEMENT (PVT.) LIMITED	1	7,500,000	10.00
Executives		2	1,344,471	1.79
Public Sector Companies and Corporations		0	-	-
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, meharbas and pension funds		1	6,638,953	8.85
General Public				
	a. Local	722	40,344,161	53.79
	b. Foreign	2	3,836	0.01
Others		2	1,668,579	2.22
Totals		733	75,000,000	100.00
Certificate holders holding 5% or more				
			Certificate Held	Percentage
			7,500,000	10.00
			6,638,953	8.85
			6,250,000	8.33
			6,250,000	8.33
			6,250,000	8.33
			6,250,000	8.33
			5,000,000	6.67

PATTERN OF CERTIFICATE HOLDING
As of June 30, 2020

Number of Certificate holders	Certificate Holdings			Total Certificate Held
33	1	to	100	460
135	101	to	500	63,952
80	501	to	1000	79,436
273	1001	to	5000	682,127
82	5001	to	10000	556,059
38	10001	to	15000	452,704
11	15001	to	20000	189,330
15	20001	to	25000	312,078
5	25001	to	30000	140,403
5	30001	to	35000	166,810
6	35001	to	40000	221,187
4	40001	to	45000	163,602
6	45001	to	50000	280,224
2	50001	to	55000	106,758
1	60001	to	65000	63,387
4	65001	to	70000	266,892
4	70001	to	75000	300,000
1	110001	to	115000	110,946
1	195001	to	200000	196,833
1	265001	to	270000	266,893
1	400001	to	405000	400,339
1	460001	to	465000	461,500
5	1000001	to	1005000	5,004,235
1	1100001	to	1105000	1,100,932
2	1200001	to	1205000	2,402,034
1	1230001	to	1235000	1,231,017
1	1330001	to	1335000	1,334,463
1	1400001	to	1405000	1,401,186
1	1430001	to	1435000	1,434,325
1	1495001	to	1500000	1,499,186
1	1630001	to	1635000	1,631,356
1	1665001	to	1670000	1,668,079
2	3335001	to	3340000	6,672,314
1	4995001	to	5000000	5,000,000
4	6245001	to	6250000	25,000,000
1	6635001	to	6640000	6,638,953
1	7495001	to	7500000	7,500,000
733				75,000,000

آڈیٹرز

آڈٹ کمیٹی کی سفارشات پر بورڈ نے میسرز بی ڈی او ایما جیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو باہمی متفقہ مشاہرے پر 30 جون 2021 کیلئے دوبارہ تقرری کی منظوری دیدی ہے جو رجسٹر آف مضاربہ کمپنیز اور مضاربہ جات کی منظوری سے مشروط ہے۔

اعتراف

بورڈ رجسٹر مضاربہ سیکورٹی اینڈ ایجنسی کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، کنسلٹنٹس اور ذمہ داران کا شکر گزار ہے جنہوں نے مضاربہ کی وقتاً فوقتاً رہنمائی فرمائی۔

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 کاوشوں 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۔

چیئر مین

چیف ایگزیکٹو آفیسر
28 ستمبر 2020

ڈائریکٹرز کی ٹریڈنگ کا پروگرام

بورڈ کے دو ڈائریکٹرز نے ایس ای سی پی کے منظور شدہ اداروں سے ڈائریکٹر ٹریڈنگ پروگرام کے تحت سند حاصل کی ہے۔

متعلقہ پارٹی سے لین دین

ضابطوں کی شرائط کے مطابق مضاربہ نے تمام متعلقہ پارٹیز کے لین دین کو آڈٹ کمیٹی اور بورڈ کے سامنے بالترتیب ان کے جائزے اور منظوری کیلئے پیش کر دیا ہے۔

اندرونی مالیاتی کنٹرول

ڈائریکٹرز اندرونی مالیاتی کنٹرول سے متعلق اپنی ذمہ داری سے بخوبی آگاہ ہیں۔ انہوں نے منجھٹ اور آڈیٹرز (اندرونی اور بیرونی) کے ساتھ گفت و شنید کے بعد تصدیق کی ہے کہ مضاربہ نے کنٹرول کو درست طریقے سے نافذ کیا ہے۔

دیگر بعد کے معاملات

مالی سال اور اس رپورٹ کی تاریخ کی مدت کے دوران میں کوئی ایسی بڑی تبدیلی نہیں ہوئی نہ وعدے کئے گئے جس سے کمپنی کی مالیاتی حیثیت پر کوئی اثر پڑتا ہو۔

نان ایگزیکٹو ڈائریکٹرز کے مشاہرے کی پالیسی

نان ایگزیکٹو ڈائریکٹرز اور خود مختار ڈائریکٹر کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کی فیس کا تعین بورڈ وقتی فوقی کرتا رہتا ہے۔

شرعی ایڈوائزری رپورٹ

مضاربہ ضرورت کے مطابق اپنے شرعی ایڈوائزری مفتی ابراہیم عیسیٰ سے رہنمائی حاصل کرتا رہتا ہے۔ نیز اندرونی آڈٹ ڈپارٹمنٹ کو بھی مضاربہ کے روزمرہ کے مسائل کے حل کیلئے شرعیہ پالیسیز اور اصولوں کی پابندی کو یقینی بنانے کی تربیت دی گئی ہے۔ مضاربہ کی 30 جون 2020 کو ختم ہونے والی مدت کی شرعی ایڈوائزری رپورٹ اس رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ اینڈ فنانس رپورٹنگ فریم ورک

بورڈ آف ڈائریکٹر سمیت مطلع کرتا ہے کہ

- مضاربہ کی انتظامیہ کے تیار کردہ مالیاتی گوشواروں میں اس کے معاملات کی شفافیت، اس کے آپریٹنگ کے نتائج، رقم کے بہاؤ اور ایکویٹی میں تبدیلی کو اچھے طریقے سے پیش کیا گیا ہے۔
- مضاربہ کے حسابات کے کھاتوں کو درست طور پر مرتب کیا گیا ہے۔
- مالیاتی اسٹیٹمنٹ اور حسابات کے تخمینہ کی تیاری میں ہر جگہ حسابات کی پالیسی کو درست طور پر استعمال کیا گیا ہے اور حسابات کے تخمینوں میں معقولیت اور دانائی کو برقی فیصلے کئے گئے ہیں۔

- مالیاتی اسٹیٹمنٹ کی تیاری میں پاکستان میں مضاربہ پر لاگو اور موثر بین الاقوامی مالیاتی رپورٹنگ کے معیارات کو مد نظر رکھا گیا ہے۔
- داخلی کنٹرول کا نظام بالکل درست ہے اور اندرونی آڈٹ اس کا مستقل جائزہ لیتا رہتا ہے۔ جائزے کا طریقہ کار جاری رہے گا اور کنٹرولز میں کسی کمزوری کے ظاہر ہونے پر اسے دور کر دیا جائے گا۔
- ادارے کے موجودہ حیثیت میں کام جاری رکھنے کے لئے مضاربہ کی صلاحیت میں کوئی نمایاں شبہ نہیں ہے۔
- اس مدت کی بنیادی آپریٹنگ اور مالیاتی معلومات اختصار کے ساتھ اس سالانہ رپورٹ میں درج ہیں۔
- 30 جون 2020ء کو ٹیکسز، ڈیوٹیز، محصولات اور چارجز کی مد میں کوئی قانونی واجب الادا رقم نہیں ہے، سوائے ان کے جن کو مالیاتی حسابات میں ظاہر کیا گیا ہے۔
- مضاربہ اپنے مستقل ملازمین کے لئے ایک پروویڈنٹ فنڈ برقرار رکھتی ہے۔ (unaudited) 30 جون 2020ء کو فنڈ کی رقم 57,526,583 روپے ہے (audited) 30 جون 2019 : 23,457,645 روپے۔

بورڈ کے اجلاس کا مقام

مذکورہ مدت کے دوران میں بورڈ کے تمام اجلاس کراچی میں ملچھٹ کبھی کے دفتر میں منعقد ہوئے اور کوئی بھی اجلاس پاکستان سے باہر منعقد نہیں کیا گیا تاکہ بیرون ملک اجلاس کے اضافی اخراجات کی بچت ہو سکے۔

سرٹیفکیٹ ہولڈرز کا طرز

30 جون 2020ء کو مضاربہ کے سرٹیفکیٹ ہولڈنگ کے طرز اور اضافی معلومات کا اسٹیٹمنٹ مع پراسی فارم اس رپورٹ کے ساتھ منسلک ہے۔

اس مدت کے دوران میں بورڈ آڈٹ کمیٹی کے کل چار اجلاس ہوئے۔ اس متعلقہ مدت میں حاضری کی صورت حال درج ذیل کے مطابق رہی:

اجلاس		ڈائریکٹر کا نام
حاضری	منعقد	
4	4	جناب جوزرجیوا خان
4	4	جناب نسیم احمد
3	4	جناب علی اکبر عبداللہ*

* سال کے اختتام کے بعد بورڈ سے استعفیٰ دے دیا۔

ہیومن ریسورس اینڈ ریمونزیشن کمیٹی

بورڈ آف ڈائریکٹرز نے ضابطوں کے مطابق ہیومن ریسورس اینڈ ریمونزیشن کمیٹی (HRRC) تشکیل دی ہے۔ HRRC کی بنیادی ذمہ داری اہم انتظامیہ کے عملے کے جانچ اور مطالبی کے طریقہ کار پر عمل درآمد کرنا ہے۔ اس مدت کے دوران میں HRRC کے کل ایک اجلاس منعقد ہوا۔ اس میں حاضری کی صورت حال درج ذیل کے مطابق رہی۔

اجلاس		ڈائریکٹر کے نام
حاضری	منعقد	
1	1	جناب جوزرجیوا خان
1	1	جناب نسیم احمد
1	1	جناب غیاث الدین خان
1	1	جناب محمد سعید

کارپوریٹ گورننس پر عمل درآمد

بورڈ آف ڈائریکٹرز مضاربہ کے تمام نمایاں امور کا جائزہ لیتا ہے۔ ان میں مضاربہ کی حکمت عملی کا رخ، متعلقہ پارٹی سے لین دین اور طویل مدت کی سرمایہ کاری اور قرضہ کے حصول کے فیصلے شامل ہیں۔ بورڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے کیلئے پرعزم ہے۔

بورڈ آف ڈائریکٹرز

بورڈ پانچ ڈائریکٹرز پر مشتمل ہے۔ بورڈ کے ممبرز کی تشکیل درج ذیل ہے:

1 خود مختار ڈائریکٹر

3 نان ایگزیکٹو ڈائریکٹرز

1 ایگزیکٹو ڈائریکٹر

اس عرصہ میں بورڈ آف ڈائریکٹرز کے کل چار اجلاس ہوئے۔ اس متعلقہ عرصہ میں اجلاس میں حاضری کی صورتحال درج ذیل کے مطابق رہی:

اجلاس		ڈائریکٹرز کے نام
حاضری	منفقہ	
4	4	جناب محمد سعید
4	4	جناب نسیم احمد
4	4	جناب غیاث الدین خان
4	4	جناب جوزر چوہا خان
4	4	جناب علی اکبر عبداللہ*

* سال کے اختتام کے بعد بورڈ سے استعفیٰ دے دیا۔

بورڈ آڈٹ کمیٹی

بورڈ نے لیکچینیئر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی پیروی میں آڈٹ کمیٹی قائم کی ہے جو اندرونی کنٹرول اور ضابطوں کی پابندی کی نگرانی کرتی ہے اور اپنے قیام سے اب تک نہایت مستعدی کے ساتھ یہ فرائض انجام دے رہی ہے۔ آڈٹ کمیٹی سہ ماہی، ہشماہی اور سالانہ مالیاتی اسٹیٹمنٹس بورڈ کے سامنے پیش کئے جانے اور شائع ہونے سے قبل ان کا باقاعدہ جائزہ لیتی ہے۔ آڈٹ کمیٹی نے بیرونی آڈیٹر کے ساتھ مختلف مسائل پر تفصیلی گفت و شنید کی جس میں ان کے انتظامیہ کو لکھے گئے خط پر بھی گفتگو ہوئی۔ آڈٹ کمیٹی نے اندرونی آڈیٹرز کی جانب سے کی گئی نشاندہی کا بھی جائزہ لیا اور کوڈ آف کارپوریٹ گورننس کے مطابق اندرونی اور بیرونی آڈیٹرز کے ساتھ الگ الگ ملاقاتیں کیں۔

• کاروباری رسک

اپنے جنرل ریٹیل بزنس پر نمایاں انحصار کے سبب مضاربہ کو توانائی کے زیادہ سے زیادہ خرچ جیسے سولر پاور پلانٹس کی دستیابی کا رسک موجود ہے۔ اسی طرح حکومت کی جانب سے کسی متبادل توانائی کے شعبہ کو سہڈی دینے سے مضاربہ پر منفی اثر پڑ سکتا ہے۔

• کریڈٹ رسک

مضاربہ کو اندرونی طور پر اجارہ کے کاروبار میں نادہندگی کے رسک کا سامنا ہوتا ہے۔ مضاربہ کو صارفین کا کرایہ کی ادائیگی میں تاخیر ہندہ ہونا بہت بڑا رسک ہے۔ اس کے علاوہ دیگر رسک میں لیز پر دیے گئے اثاثہ کا قبضہ نہ ملنا، صارف کی جانب سے اثاثہ کا غلط استعمال یا اس کو نقصان پہنچانا، حادثات، چوری اور بریک ڈاؤن ہونے کے رسک شامل ہیں۔

• معاشی رسک

معاشی صورتحال میں تبدیلیوں کا اثر مضاربہ کی کارکردگی پر بھی پڑتا ہے۔ ان میں مارکیٹ کے بڑھنے، شرح سود اور زرمبادلہ میں اضافے سے مضاربہ کی آمدنی اور اثاثے متاثر ہو سکتے ہیں۔

مضاربہ ان مذکورہ رسک کے ممکنہ اثرات کو ختم کرنے یا قابل قبول حد تک کم کرنے کیلئے اپنے اندرونی اور بیرونی اسٹریٹجک ہولڈرز کے ساتھ مل کر کام کرتا ہے۔

مستقبل کے امکانات

کوویڈ 19 دہائی بھاری عالمی تاریخ کا ایک اہم واقعہ بن کر ابھری ہے۔ پاکستان کے لئے یہ ایک ایسے وقت میں آیا ہے جب ملک معاشی بحالی کی طرف گھمزن تھا۔

اس سخت روی نے پہلے ہی برآمدی شعبے کو متاثر کیا ہے کیونکہ بین الاقوامی طلب میں نمایاں کمی واقع ہوئی ہے۔ آگے دیکھتے ہوئے، بڑے پیمانے پر صنعتی پیداوار اور زرعی شعبے میں بھی کمی ہونے کی توقع ہے۔ روٹن پہلو پر تیل کی بین الاقوامی قیمتوں میں کمی معاشی سخت روی کو تھوڑا سا بہتر کر سکتی ہے۔

چونکہ او آر ایم کا کاروبار بنیادی طور پر پاکستان میں کارپوریٹ سیکٹر سے منسلک ہے، لہذا ہم کارپوریٹ سیکٹر پر لاک ڈاؤن کو ہٹانے کے مختصر ہیں جس کی امید ہے کہ اس کے نتیجے میں مضاربہ کے عمل کو بحال کیا جائے گا۔

فی الحال او آر ایم کوویڈ 19 پھیلنے سے ابھرتی ہوئی صورتحال کے پیش نظر کاروبار کے تسلسل کو یقینی بنانے کے لئے تمام ضروری اقدامات اٹھا رہا ہے۔ یہ یقینی بنانا ہماری ترجیح ہے کہ اپنے صارفوں کی خدمت کرنے کی اپنی صلاحیت کو برقرار رکھتے ہوئے اپنے عملے کے تمام ممبران محفوظ اور مستند ہوں۔ مذکورہ بالا تمام مشکلات کے باوجود ہم نے اپنے تمام عملے کو برقرار رکھا ہے۔

موجودہ چیلنجوں کے باوجود، او آر ایم کو ایک ترقی کرنے والے مضاربہ کی حیثیت حاصل ہے، اور ہم اپنے کاروبار کی ترقی اور سرمایہ کاروں کے بہترین منافع کے لئے کام کرتے رہیں گے۔ ہماری حکمت عملی کسٹمر میں اور رسد کو بڑھانے پر مرکوز ہے۔

کاروباری عمل کا جائزہ

زیر جائزہ سال بہت دشوار رہا اور اس نے ہمارے کاروبار پر کچھ منفی اثرات مرتب کیے۔ کچھ حوامل جنہوں نے ہمیں منفی طور پر متاثر کیا وہ تھے روپے کی قدر میں کمی، درآمد کی قدر میں اضافہ، جزیئر کے اسٹریٹ پارکس کی لاگت میں اضافہ، جس کے نتیجے میں ہر سرٹیفکیٹ کی آمدنی 1.37 روپے سے کم ہو کر 0.4 روپے ہو گئی۔

کوویڈ-19 کا وہاں، 2019 کے آخر میں شروع ہوئی اور اس محاورے کو مثبت کر دیا "وہ نکلے جس نے اونٹ کی کمر توڑ دی"۔ یہ چین سے شروع ہوا، جیسا کہ ہم سب جانتے ہیں، اور جلد ہی باقی دنیا میں پھیل گیا۔ پھیلنے سے عالمی سطح پر سپلائی چین اور بین الاقوامی تجارت بھی شدید متاثر ہوئی ہے۔ ملک گیر پابندیوں اور لاک ڈاؤن نے تقریباً ہر شخص اور کاروبار کو متاثر کیا ہے۔ عالمی معاشی خرابی میں داخل ہونے کے غدشات بڑھ رہے ہیں، بہت سے معاشی ماہرین نے عالمی کساد ہزاری کے آغاز کا حوالہ دیا ہے۔

اگرچہ محصولات 1.275 ملین سے کم ہو کر 1.161 ملین ہو گئے اس کے برعکس منافع 9.3 فیصد سے کم ہو کر 3 فیصد ہو گیا۔ اس کراؤٹ کی وجہ یہ تھی کہ کاروبار کرنے کی لاگت میں غیر معمولی اضافہ دیکھا گیا۔ جبکہ مارکیٹ اس لاگت کو جذب نہیں کر سکی۔

برے دنوں کے بعد اچھے دن ضرور آتے ہیں اور ہمارے معاملے میں یہ ہماری زیادہ تر صارفوں کو برقرار رکھنے اور ان مشکل وقتوں میں ہمارے کاروبار کو متنوع بنانے کے قابل ہونے کی صلاحیت تھی۔

مضاربہ بعد از قانونی ریزرو میں منتقلی اپنے سرٹیفکیٹ ہولڈرز کو منافع کا کم سے کم 90 فیصد حصہ تقسیم کرنے کا ارادہ رکھتی ہے اور اسی وجہ سے مالی حسابات میں ٹیکس وصول کرنے کی کوئی فراہمی نہیں کی گئی ہے۔

منافع کی تقسیم

بورڈ یہ اعلان کرتے ہوئے بے حد مسرت محسوس کرتا ہے کہ نقد ڈیویڈنڈ بحساب 1.8 فیصد یعنی ہر 10 روپے والے سرٹیفکیٹ کیلئے 0.18 روپیہ دیا جا رہا جو کہ زکوٰۃ اور ٹیکس کی کٹوتی سے مشروط ہے۔

بڑے رسک اور غیر یقینی صورتحال

مضاربہ کو اندرونی طور پر بعض رسک اور غیر یقینی صورتحال کا سامنا ہوتا ہے۔ تاہم ان میں سے ہمارے نزدیک بنیادی رسک درج ذیل ہیں:

• فیکوریٹن پالیسی میں تبدیلیاں

مضاربہ کی کامیابی دوسرے عناصر کے علاوہ حکومت کی جانب سے ٹیکس کی چھوٹ کے فائدے پر منحصر ہے جو منافع کا کم از کم 90% حصہ اپنے سرٹیفکیٹ ہولڈرز کو نقد ڈیویڈنڈ کی صورت میں تقسیم کرنے پر دی جاتی ہے۔ اگر کسی بھی مرحلے پر حکومت یہ چھوٹ واپس لے لے تو اس کا اثر مضاربہ کی فی سرٹیفکیٹ آمدنی پر پڑ سکتا ہے۔

ڈائریکٹرز کی رپورٹ

برائے مدت ختمہ 30 جون 2020

اورینٹ رینٹل مضاربہ ("مضاربہ") کی منجھٹ کمپنی ایمان منجھٹ (پرائیویٹ) لمیٹڈ ("ایمان") کے بورڈ آف ڈائریکٹرز، مسرت مضاربہ کے 30 جون 2020 تک کی مدت کیلئے ڈائریکٹرز کی رپورٹ مع آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوش محسوس کرتے ہیں۔ اس سال کی مالیاتی جھلکیاں درج ذیل ہیں:

2019 جون 30 روپے	2020 جون 30 روپے	
1,274,761,399	1,161,060,128	آمدنی
(1,156,574,692)	(1,126,197,655)	اخراجات
118,186,707	34,862,473	منافع قبل از منجھٹ فیس
(15,451,730)	(4,557,919)	منجھٹ کمپنی کے معاوضے اور دیگر اخراجات
102,734,977	30,304,554	قبل اور بعد از فیکس منافع
57,200,849	87,638,831	غیر تقسیم شدہ منافع آگے لایا گیا
		قانونی ریزرو میں بحساب مدت کے
(20,546,995)	(15,152,277)	منافع سے 50% کے حساب سے منطقی (2019: 20%)
(51,750,000)	(75,000,000)	منافع کی تقسیم 30 جون 2019
		فی سرٹیکلیٹ Rs. 1.00
87,638,831	27,791,108	غیر تقسیم شدہ منافع آگے لے جایا گیا
1.37	0.40	فی سرٹیکلیٹ آمدنی - بنیادی اور تحلیل شدہ
11.63	11.04	فی سرٹیکلیٹ بریک اپ ویلیو

چیئر مین کی جائزہ رپورٹ

محترم مضاربہ سرٹیفکیٹ ہولڈرز

اورینٹ رینٹل مضاربہ ("مضاربہ") کی منجمنٹ کمپنی ایمان منجمنٹ (پرائیویٹ) لمیٹڈ ("منجمنٹ کمپنی") کے بورڈ آف ڈائریکٹرز کی جانب سے میں، سمرت مضاربہ کے 30 جون 2020 تک کی مدت کے لئے آڈٹ شدہ مالیاتی حسابات پیش کرتا ہوں۔ بورڈ آف ڈائریکٹرز کی تشکیل مختلف پس منظر اور کاروبار، مالیات، بینکاری اور ضوابط کے شعبوں میں بھرپور تجربہ کے احتیاج کی عکاسی کرتی ہے۔ بورڈ یہ بھی یقینی بناتا ہے کہ منجمنٹ انضباطی تقاضوں کی تعمیل کر رہا ہے اور Statement of Compliance with Listed Companies (Code of Corporate Governance) 2019 Exceptions کی Regulations کو موجودہ اکاؤنٹنگ مدت میں مکمل کیا جائے گا۔ بورڈ کو اس کی کمیٹیوں کے ذریعے مدد ملتی ہے۔ بورڈ اور اس کی کمیٹیاں اپنی ذمہ داریوں کو پورا کرنے کیلئے کثرت سے ملتی ہیں۔ نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز اہم فیصلوں میں شریک ہوتے ہیں۔

ہم اپنے موجودہ کاروبار میں اپنی پوزیشن مستحکم کرتے ہیں۔ اسی کے ساتھ ساتھ، ہم مستقبل میں اپنی بنیادی کاروباری حکمت عملیوں کے مطابق مزید کاروباری توسیع کے لئے نئی مارکیٹوں اور کسٹمر کو تلاش کریں گے۔ مجھے خوشی ہے کہ ہماری ٹیم کاروباری مواقع کو سمجھنے کی صلاحیت رکھتی ہے اور اپنے حریفوں سے پہلے ہی نئے کاروباری مواقع ڈھونڈتی ہے۔ پاکستان میں اسلامی مالیات کا شعبہ ترقی کر رہا ہے اور مجھے یقین ہے کہ مضاربہ اس ابھرتے ہوئے طبقات میں اپنے اثاثوں کے ساتھ مزید اضافہ کرے گا۔

میں اپنے چیف ایگزیکٹو آفیسر اور ان کی ٹیم کے تمام ممبروں کی محنت اور لگن کو سراہتا ہوں۔ میں رجسٹرار مضاربہ، سیکرٹری رٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کے تعاون کا بھی شکر گزار ہوں۔ میں تمام اسٹیک ہولڈرز، ملازمین، صارفین، سپلائرز، سرٹیفکیٹ ہولڈرز، بینکروں اور دیگر تمام افراد کے تعاون کا شکریہ ادا کرتا ہوں۔

محمد سعید
چیئر مین

تاریخ: 28 ستمبر، 2020

۱۰۔ غیر موصول شدہ ڈیویڈنڈ

سرٹیفکیٹ رکھنے والوں کو، جو کسی بھی وجہ سے، اپنے منافع کو حوی نہیں کر سکتے ہیں، اگر کوئی ہو تو، ہمارے شیئر رجسٹرار سے اس کے ہیڈ آفس کے سی ڈی سی ہاؤس، B-99، بلاک 'بی' ایس ایم سی ایچ ایس، مین شاہراہ فیصل پر رابطہ کرنے کا مشورہ دیا گیا ہے۔ کراچی۔ 74400، ٹیلیفون نمبر: 021-111-111-500، فیکس نمبر: 021-34326053 تاکہ ان کے دعویٰ پر متاثر، اگر کوئی ہے تو، ان کے بارے میں پوچھ سگم کر سکیں۔

۱۱۔ ایڈریس میں تبدیلی

سیرٹی کیٹ ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنے ایڈریس سی ڈی سی ہاؤس، B-99، بلاک 'بی' ایس ایم سی ایچ ایس، مین شاہراہ فیصل میں شیئر رجسٹرار سے، میر سی ڈی سی شیئر رجسٹرار سرورسز لمیٹڈ کو، اپنے ایڈریس میں تبدیلی سے مطلع کریں۔ فیصل، کراچی۔ 74400، ٹیلیفون نمبر: 021-111-111-500، فیکس نمبر: 021-34326053۔

۷۔ ڈیویڈنڈ وارنٹ پر NTN/CNIC نمبر

جیسا کہ پہلے ہی دیکھا گیا تھا، ایس ای سی پی نے اس کی اطلاع ایس آر او کے ذریعے ہدایت کی ہے۔ 2012/1831 مورخہ 5 جولائی، 2012 کو، ڈیویڈنڈ وارنٹ کو بھی کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) رجسٹرڈ سرٹیفکیٹ رکھنے والے کا نمبر ہونا چاہیے، سوائے اس کے کہ غیر بالغ سرٹیفکیٹ، ہولڈر اور کارپوریٹ سرٹیفکیٹ ہولڈر

ایس ای سی پی کی ہدایت پر عمل کرنے اور کمپنیز ایکٹ 2017 کے سیکشن 243(2) (اے) کی شرائط کے مطابق، کمپنی کو کاپی نہ ملنے کی صورت میں، ڈیویڈنڈ وارنٹ (کمپنیز) کو روکنے پر پابند ہوگا۔ درست CNIC (افرو کے لئے) اور قومی ٹیکس نمبر (ایک کارپوریٹ ادارہ کے لئے)۔

اسی مناسبت سے، سرٹیفکیٹ رکھنے والوں کو جنہوں نے ابھی تک اپنی جائز CNIC یا NTN کی کاپی پیش نہیں کی ہے، ایک بار پھر درخواست کی گئی ہے کہ وہ فوری طور پر وہی اس کے ہیڈ آفس سی ڈی سی ہاؤس، B-99، بلاک 'B' میں موڈرنا بایا ہمارے شیئر رجسٹرار کو جمع کر دیں۔ ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی۔ 74400، ٹیلیفون نمبر: 021-111-111-500، فیکس نمبر: 021-34326053۔

۸۔ ڈیویڈنڈ مینڈیٹ

کمپنیز ایکٹ 2017 (ایکٹ) کے تحت کمپنی / ادارے کی جانب سے کیش ڈیویڈنڈ کی ادائیگی اب صرف الیکٹرونک ذریعہ سے لازمی ہے۔ اس لئے اورینٹ ریٹیل مضاربہ کے تمام سرٹیفکیٹ ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب ڈیویڈنڈ مینڈیٹ فارم پر کر کے اپنے متعلقہ بینک کو ڈیویڈنڈ مینڈیٹ فراہم کریں۔ ان سرٹیفکیٹ ہولڈرز سے جن کی شیئر ہولڈنگ سینٹرل ڈیپازٹری سسٹم (CDS) کے تحت ہے، گزارش ہے کہ وہ اپنے بینک مینڈیٹ کی معلومات براہ راست متعلقہ شریک ای سی ڈی سی انوسٹر اکاؤنٹ سروس کو فراہم کریں۔ بینک اکاؤنٹ کی تفصیلات کی عدم موجودگی یا نامکمل معلومات کی صورت میں مضاربہ ان شیئر ہولڈرز کے ڈیویڈنڈ روک لینے پر مجبور ہوگا جنہوں نے مطلوبہ معلومات فراہم نہ کی ہوں گی۔ مزید معلومات کیلئے ہمارے شیئر رجسٹرار کے ہیڈ آفس، سی ڈی سی ہاؤس، B-99، بلاک 'B' ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی 74400 سے رابطہ کریں۔ فون 021-111-111-500 فیکس 021-34326040۔

۹۔ ای میل کے ذریعے آڈٹ شدہ مالی گوشواروں کی ترسیل

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جاری کردہ ہدایات بذریعہ ایس آر او 2014/1831 مورخہ 08 ستمبر 2014، کے ذریعے کمپنیز کو اجازت دی گئی ہے کہ وہ اپنے آڈٹ شدہ مالیات سالانہ جائزہ میٹنگ کی اطلاع، اپنے سرٹیفکیٹ ہولڈرز کو بذریعہ ای میل ارسال کر سکتے ہیں۔ جو سرٹیفکیٹ ہولڈرز آئندہ مضاربہ کی سالانہ رپورٹ بذریعہ ای میل حاصل کرنا چاہیں، ان سے درخواست ہے کہ وہ رضامندی کا فارم (اورینٹ ریٹیل مضاربہ کی ویب سائٹ پر دستیاب) پر کر کے ہمارے شیئر رجسٹرار کے ہیڈ آفس، سی ڈی سی ہاؤس، B-99، بلاک 'B' ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی 74400 سے رابطہ کریں۔ فون 021-111-111-500 فیکس 021-34326040۔

لہذا کمپنی کو کیش ڈیویڈنڈ کی رقم پر 30% کی بجائے 15% کوٹنی کیلئے تمام سرٹیفکیٹ ہولڈرز کو جن کے نام FBR کی ویب سائٹ پر فعال ٹیکس گزاروں کی فہرست (ATL) میں شامل نہیں ہیں، حالانکہ وہ فائلر ہیں، مشورہ دیا جاتا ہے کہ مقررہ مدت کے اختتام (درج بالا) سے پہلے ATL میں اپنے نام کے اندراج کو یقینی بنالیں ورنہ ان کے کیش ڈیویڈنڈ سے ٹیکس کی کوٹنی 15% کی بجائے 30% کی شرح سے کی جائے گی۔ مزید استفسارات / مسئلے / معلومات کیلئے شیئر رجسٹرار کے ہیڈ آفس، سی ڈی سی ہاؤس، B-99، بلاک بی، ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی - 74400 پر رابطہ کریں۔
فون: 021-111-111-500، فیکس: 021-34326040۔

کارپوریٹ سرٹیفکیٹ ہولڈرز جن کے اکاؤنٹ سی ڈی سی میں ہیں، اپنے متعلقہ شرکاء کے ساتھ اپنا قومی ٹیکس نمبر (NTN) اپ ڈیٹ کر لیں۔
انکم ٹیکس سے استثنیٰ کے خواہشمند یا کم شرح پر کوٹنی کے اہل افراد سے درخواست ہے کہ وہ کیس کے مطابق کارآمد ٹیکس سرٹیفکیٹ یا ضروری دستاویزی ثبوت پیش کریں۔ ذکوۃ کی کوٹنی سے چھوٹ کے خواہشمند سرٹیفکیٹ ہولڈرز سے درخواست ہے کہ وہ ذکوۃ سے چھوٹ کا کارآمد ڈکلیئریشن جمع کرائیں۔

۶۔ جوائنٹ اکاؤنٹ ہولڈر کی صورت میں ڈیویڈنڈ پروڈ ہولڈنگ ٹیکس

مشترکہ سرٹیفکیٹ کے حامل تمام سرٹیفکیٹ ہولڈرز سے درخواست ہے کہ پرنسپل سرٹیفکیٹ ہولڈر اور جوائنٹ ہولڈر کے پاس موجود سرٹیفکیٹ کی تعداد کے تناسب سے شیئر رجسٹرار کو تحریری طور پر درج ذیل کے مطابق معلومات فراہم کریں:

پورٹ فولیو نمبر اسی ڈی سی اکاؤنٹ نمبر	کل سرٹیفکیٹ	پرنسپل سرٹیفکیٹ ہولڈر	جوائنٹ سرٹیفکیٹ ہولڈر
نام اور CNIC نمبر	نام اور CNIC نمبر	نام اور CNIC نمبر	نام اور CNIC نمبر
سرٹیفکیٹ ہولڈنگ کا تناسب	سرٹیفکیٹ ہولڈنگ کا تناسب	سرٹیفکیٹ ہولڈنگ کا تناسب	سرٹیفکیٹ ہولڈنگ کا تناسب
(تعداد سرٹیفکیٹس)	(تعداد سرٹیفکیٹس)	(تعداد سرٹیفکیٹس)	(تعداد سرٹیفکیٹس)

مطلوبہ معلومات ہمارے شیئر رجسٹرار کو 16 اکتوبر 2020 کو کاروباری اوقات کے اختتام تک لازمی موصول ہو جانی چاہئیں، ورنہ یہ تصور کر لیا جائے گا کہ پرنسپل سرٹیفکیٹ ہولڈر اور جوائنٹ ہولڈر دونوں کے پاس برابر کی تعداد میں سرٹیفکیٹ موجود ہیں۔

سیریل نمبر	حصص دار کا نام	CNIC نمبر	فولیو / سی ڈی ایس اے سی نمبر	تیل نمبر	ای میل ایڈریس
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لاگ ان کی سہولت ان سرٹیفکیٹ رکھنے والوں کے ساتھ شیئر کی جائے گی جن کے ای میل کے پتے اور ٹیکس فرام کیے گئے ہیں۔ مذکورہ اطلاعات کا مقصد اے آر ایم میں سرٹیفکیٹ رکھنے والوں کی ایک آن لائن سہولت کے ذریعے زیادہ سے زیادہ شرکت کو یقینی بنانا ہے۔ سرٹیفکیٹ رکھنے والوں سے بھی درخواست کی جاتی ہے کہ وہ اپنی موجودگی کو ہر کسی کے ذریعہ معلوم کریں تاکہ کورم کی ضرورت بھی پوری ہو سکے۔

۲۔ کتاب کی بندش:

کمپنی کے سرٹیفکیٹ مندرجہ ذیل 19 اکتوبر 2020 سے 26 اکتوبر 2020 تک بند رہیں گی (دونوں دن بھی شامل ہیں)۔ 16 اکتوبر 2020 کو کاروباری ادوات کے اختتام سے قبل، موڈر ہاؤس کے رجسٹرڈ یعنی میسرز سی ڈی سی شیئرز رجسٹرڈ سرورس لیڈرز کے رجسٹرڈ کے مطابق ترتیب میں موصولہ مندرجہ ذیل کا پتہ مندرجہ ذیل کو تقسیم کے حقدار کے لئے وقت کے ساتھ سمجھا جائے گا سالانہ جائزہ اجلاس میں شرکت کے لئے۔

۳۔ اجلاس میں شرکت:

- افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر یا اس فرد کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور اس کی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہوں۔ اجلاس میں شرکت کے موقع پر اپنی شناخت کی تصدیق کیلئے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوں گے۔

۴۔ کمپنی کی ویب سائٹ پر آڈٹ شدہ مالی گوشواروں کی دستیابی:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے معاملے میں 2014 / SRO 634 (D) 30 جن 2020 کو ختم ہونے والی مدت کی سالانہ رپورٹ بھی ایک وقت موڈر ہاؤس کی ویب سائٹ پر رکھی جائے گی جس کے ساتھ سرٹیفکیٹ رکھنے والوں کو بھیجا جائے گا۔

۵۔ ڈیویڈنڈ کی رقم پر ود ہولڈنگ ٹیکس کی کٹوتی

حکومت پاکستان نے فنانس ایکٹ 2020 کے ذریعہ انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 میں بعض ترامیم کی ہیں جن کی رو سے کمپنی کی جانب سے ڈیویڈنڈ کی رقم کی ادائیگی پر ود ہولڈنگ ٹیکس کی کٹوتی کیلئے مختلف شرحیں مقرر کی گئی ہیں۔ حکومت پاکستان نے مزید فنانس ایکٹ 2017 کے ذریعہ ود ہولڈنگ ٹیکس کی کٹوتی کی شرح تبدیل کی ہے جو درج ذیل ہے:

- انکم ٹیکس ریٹرنز کے فائلر (ز) کیلئے کٹوتی کی شرح: 15%
- انکم ٹیکس ریٹرنز کے نان فائلر (ز) کیلئے کٹوتی کی شرح: 30%

اطلاع برائے سالانہ جائزہ اجلاس

بذریعہ ہذا مطلع کیا جاتا ہے کہ اورینٹ رینٹل مضاربہ کے سرٹیفکیٹ رکھنے والوں کی تیسری سالانہ جائزہ میٹنگ (اے آر ایم) 26 اکتوبر، 2020 کو صبح ساڑھے آٹھ بجے ہوگی، تاہم کوویڈ 19 کی وجہ سے موجودہ صورتحال کی وجہ سے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے ذریعہ 30 جون 2020 کو ختم ہونے والی مدت کے لئے مضاربہ کی کارکردگی کا جائزہ لینے کے لئے سرٹیفکیٹ رکھنے والوں کو ویڈیولنک کی سہولت کے ذریعے عملی طور پر اجلاس میں شریک ہونے کا حق ہوگا۔ ویڈیولنک کے ذریعہ سالانہ جائزہ میٹنگ میں مضاربہ کو رسم کی مشقوں کی تعمیل کرے گی اور تمام ضابطہ قاضوں کی تعمیل کرے گی۔

منجانب بورڈ
ایم۔ جمال احمدانی
کمپنی سیکرٹری
ایمان منجمنٹ (پرائیویٹ) لمیٹڈ
منیجر اورینٹ رینٹل مضاربہ
کراچی۔ 28 ستمبر 2020

۱۔ نوٹس:

کو روٹاڈائرس دہانہ کے تسلسل میں اورینٹ رینٹل مضاربہ کے عوامی اجلاس کے لئے منصوبہ بندی کوویڈ 19 کی دہائی صورتحال کے پیش نظر اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے متعلقہ ہدایات کیلئے جاری کردہ سرکلر نمبر 5 مجریہ 2020، بتاریخ 17 مارچ 2020، میں سرکلر نمبر 25 مجریہ 2020، بتاریخ 31 اکتوبر 2020، کے تحت توسیع کر دی گئی ہے۔ سرٹیفکیٹ کی تصدیق اور شناخت کیلئے تمام مطلوبہ رسمی مراحل مکمل کرنے کے بعد سرٹیفکیٹ اپنے گھروں سے یا کسی مناسب مقام سے اپنے سمارٹ فونز یا کمپیوٹر آلات کے ذریعہ سالانہ اجلاس عام کی کارروائی میں لاگ ان اور حصہ لینے کے قابل ہوں گے۔ لاگ ان کی سہولت 26 ستمبر 2020 کو صبح آٹھ بجے کھول دی جائے گی جو شرکا کو کارروائی میں شامل ہونے کے قابل بنائے گی جس کا آغاز صبح ساڑھے آٹھ بجے کیا جائے گا۔

الیکٹرانک طریقے کے ذریعہ اے آر ایم میں شرکت کے خواہاں سرٹیفکیٹ رکھنے والوں سے درخواست ہے کہ وہ 16 اکتوبر 2020 کو کاروباری اوقات کے اعلان سے پہلے موڈاربا کے ہمزدائی میل ایڈریس company.secretary@orientmodaraba.com پر اپنی مندرجہ ذیل تفصیلات جمع کروا کر اپنا تداراج کریں۔ ذمہ کی درخواست سرٹیفکیٹ رکھنے والوں کو پہنچے ہوئے گئے جدول میں فراہم کردہ ای میل پتے پر بھیجی جائے گی

تشکیل نیابت داری

میں ام _____
 ساکن _____
 رکن وصال _____
 اور ایسی ڈی کے شراکتی آئی ڈی نمبر _____
 محرم الاحمد _____
 یا بصورت دیگر محرم الاحمد _____

کو اپنی جگہ مورخہ 26 اکتوبر 2020 کو منعقد پانچویں ہونے والے پہلے سالانہ نگرانی اجلاس عام میں رائے و مددگی کے لئے اپنا اہم حصہ مقرر کرتا کرتی ہوں۔

تاریخ _____
 گواہ: _____
 1 دستخط _____
 نام _____
 پتہ _____



(دستخط کھینچیں پہلے سے موجود نمونہ کے مطابق ہونے چاہئے)

دستخط _____

سی این آئی سی یا پاسپورٹ نمبر _____
 2 دستخط _____
 نام _____
 پتہ _____

نوٹ: پروکسیز کے موڑ ہونے کے لئے ضروری ہے کہ ان کی تفصیل اجلاس شروع ہونے سے 48 گھنٹے قبل مضاربہ کو موصول ہو جائے۔
 سی ڈی سی شیئر سرٹیفکیٹ ہولڈرز اور ان کے پراکسیز سے گزارش ہے کہ وہ اپنے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی مضاربہ پر پیش کرنے سے قبل اس پراکسی کے ساتھ منسلک کریں۔

Proxy Form

Orient Rental Modaraba
Managed by: EMAN Management (Private)
Limited

I/ We _____
of _____
being a member of Orient Rental Modaraba and holder of _____ Certificates as per Certificate
Register Folio No. _____ and / or CDC Participant ID No. _____ and Sub Account No. _____
hereby appoint _____
of _____ or failing him / her of _____

As my proxy to represent me and on my behalf at the 1st Annual Review Meeting of the Modaraba to be held on 26th day of
October 2020 and at any adjournment there of

Signed this _____ day of _____ 2020

WITNESSES:

1 Signature: _____

Name: _____

Address: _____

CNIC / or: _____

Passport No.: _____

2 Signature: _____

Name: _____

Address: _____

CNIC / or: _____

Passport No.: _____

Signature

Revenue
Stamp
Rs. 5 /-

(Signature should agree with specimen
signature registered with the Modaraba)

Note: Proxies in order to be effective must be received by the Modaraba not less than 48 hours before the meeting.
A proxy must be a certificate holder of the Modaraba. CDC Certificate holders and their proxies are each requested
to submit attested photocopy of their Computerized National Identity Card or Passport with this proxy form.

DIVIDEND MANDATE FORM

Date: _____

I hereby wish to communicate my desire to receive my dividends directly in my bank account as detailed below:

1. Name of shareholder/certificate holder: _____
2. Folio number: _____
3. Postal Address: _____
4. Contact number: _____
5. Name of Bank: _____
6. Bank Branch & full mailing address: _____
7. Title of Bank Account: _____
8. Bank Account No. (complete with code): _____
9. IBAN Number (complete with code): _____
10. CNIC No. (attach copy) : _____

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company informed in case of any changes in the said particulars in future.

INDIVIDUAL CERTIFICATE HOLDER(S)

Signature CNIC No. _____
(copy attached)

CORPORATE ENTITY

Authorized Signatory(ies) (copy attached) NTN No. _____

(In case Certificates held in CDC then please inform concerned Participant / CDC Investor Account Services).

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