



ORIENT
RENTAL MODARABA

FOCUSED ON SOLUTIONS

**ANNUAL
REPORT
2021**

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FOCUSED ON SOLUTIONS

Modaraba Information

Modaraba Company

Eman Management (Private) Limited

Directors of Modaraba Company

Mr. Muhammad Saeed
Chairman

Mr. Telzoon Kisat
Chief Executive

Mr. Joozer Jiwa Khan
Non-Executive Independent Director

Ms. Saba Ahmed Agrawalla
Non-Executive Independent Director

Mr. Nasim Ahmed
Non-Executive Director

Mr. Chaudhry Jawaid Iqbal
Non-Executive Director

Mr. Glasuddin Khan
Non-Executive Director

Audit Committee

Mr. Joozer Jiwa Khan
Chairman

Mr. Nasim Ahmed
Member

Ms. Saba Ahmed Agrawalla
Member

Mr. Chaudhry Jawaid Iqbal
Member

Risk Management Committee

Mr. Chaudhry Jawaid Iqbal
Member

Ms. Saba Ahmed Agrawalla
Member

Mr. Glasuddin Khan
Member

Mr. Telzoon Kisat
Member

Human Resource and Remuneration Committee (HR&R Committee)

Mr. Joozer Jiwa Khan
Chairman

Mr. Muhammad Saeed
Member

Mr. Nasim Ahmed
Member

Mr. Glasuddin Khan
Member

Chief Financial Officer

Ms. Effat Assad

Company Secretary

Mr. Muhammad Farukh

Head of Internal Audit

Ms. Oraiba Shehzad

Sharia Advisor

Alhamd Shahriah Advisory Services (Pvt) Ltd.

Auditors

BDO Ebrahim & Co

Legal Advisor

Mr. M. Hashim Lodhi

Bankers / Financial Institutions

Bank Islami Pakistan
MCB Islamic Bank Limited
HBL Islamic Bank
Bank of Khyber
Meezan Bank Limited
National Bank of Pakistan
Askari Bank Limited
Faysal Bank Limited
First Habib Modaraba

Registered Office

Plot # 9, Sector 24
Korangi Industrial Area, Karachi
Phone: 021 - 111 - 676 - 676

Registrar & Share Registration Office

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, SMCHS
Main Shahrah-e-Faisal, Karachi

Vision:

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

Mission:

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

Notice of Annual Review Meeting

Notice is hereby given that the 4th Annual Review Meeting of certificate-holders of Orient Rental Modaraba will be held on October 26, 2021 at 03:00 pm through Zoom application to review the performance of the Modaraba for the year ended June 30, 2021.



On behalf of the Board

Muhammad Farukh
Company Secretary
Orient Rental Modaraba
October 05, 2021
Karachi

Notes:

1. Participation in the meeting:

In view of prevailing situation due to COVID-19 and pursuant to the guidelines issued by the Securities and Exchange Commission of Pakistan, the Annual Review Meeting of Certificate holders of Orient Rental Modaraba will be held through zoom application only to ensure safety and well-being of Certificate holders.

Certificate holders interested in attending the meeting are requested to register themselves by providing the following particulars at 'company.secretary@orientmodaraba.com' at least 48 hours prior to commencement of meeting.

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

Login facility will be shared with those certificate holders whose email is received, containing all the required particulars.

2. Closure of Certificate Transfer Book:

The certificate transfer books shall remain closed from October 19, 2021 to October 26, 2021 (both days inclusive). Transfers received in order at the office of the Registrar of Orient Rental Modaraba i.e. M/s. CDC Share Registrar Services Limited at its Head Office, CDC House, 99-B, Block 'B', SMCHS, Main Shahrah-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326040, before the close of business hours on October 18, 2021 will be treated as in time for the purpose of entitlement to dividend and to attend the Annual Review Meeting.

3. 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 year ended June 30, 2021 will also be placed on Modaraba's website simultaneously with the dispatch of the same to the certificate holders.

4. 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: 25%
- (b) Rate of tax for person not appearing in the Active Taxpayers' List: 50%

In case a Folio/CDS Account is jointly held, each joint-holder is to be treated separately as Active or Non-Active. Tax of each joint-holder shall be deducted on the gross dividend amount as determined by bifurcating the certificate holding of each joint-holder on equal proportions, except where certificate holding proportion of joint-holder(s) is pre-defined as per the records of our Share Registrar and thus tax rates are applied in line with respective proportions. Those certificate holders who are holding Folio/CDS jointly: are requested to notify (in writing) any change in their certificate holding proportions to our Share Registrar, or their Participants/CDC Investor Account Services so that their revised certificate holding proportions are updated in our records for dividend payouts, if any.

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 to the Share Registrar.

Certificate holders desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

5. 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) of the Companies Act, 2017, the Modaraba 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, the 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.

6. 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 Orient Rental Modaraba are hereby advised to provide dividend mandate of their respective banks in the "Dividend Mandate Form" available on Modaraba'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 shareholders who have not provided the same. For more information, you may contact our share registrar.

7. 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 the Notice of Annual Review Meeting to their certificate-holders through e-mail. 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.

8. Unclaimed dividend

Certificate-holders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar to collect / inquire about their unclaimed dividend, if any.

9. Change of Address

The Certificate holders are advised to notify change in their addresses, if any, to the Share Registrar.

Key Financial Data

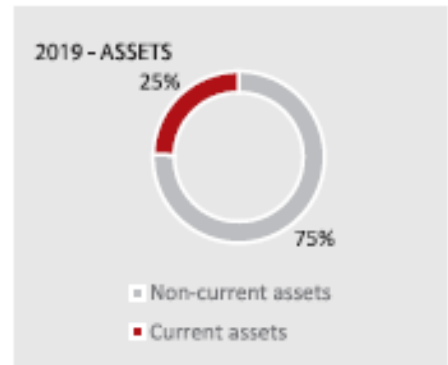
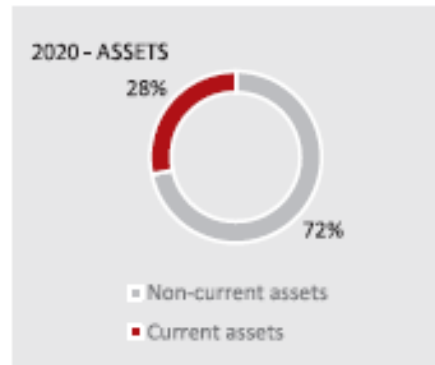
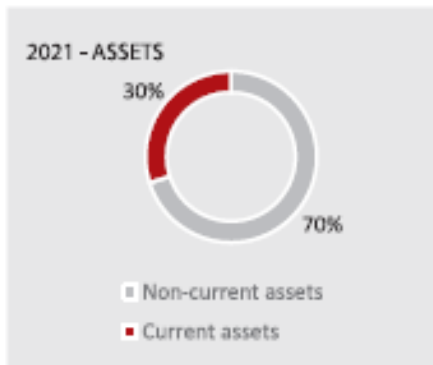
| | | 2020 - 21 | 2019 - 20 | 2018 - 19 |
|--|-----------------|-----------|-----------|-----------|
| Total Assets | Rs. in Millions | 2,075 | 1,677 | 1,607 |
| Current Assets | Rs. in Millions | 620 | 474 | 395 |
| Current Liabilities | Rs. in Millions | 654 | 384 | 444 |
| Paid-up certificate capital | Rs. in Millions | 750 | 750 | 750 |
| Reserves | Rs. in Millions | 221 | 78 | 122 |
| Certificate holders' net equity | Rs. in Millions | 971 | 828 | 872 |
| Gross Profit | Rs. in Millions | 338 | 217 | 245 |
| Net Profit | Rs. in Millions | 156 | 30 | 103 |
| Total Dividend | Rs. in Millions | 75 | 14 | 75 |
| Return on Asset | % | 8 | 2 | 6 |
| Return on Equity | % | 16 | 4 | 12 |
| Debt / Equity Ratio | times | 0.74 | 0.60 | 0.52 |
| Current Ratio | times | 0.95 | 1.23 | 0.89 |
| Earnings per certificate - basic and diluted | Rs. | 2.09 | 0.40 | 1.37 |
| Cash dividend | % | 10.00 | 1.82 | 10.00 |
| Cash dividend per certificate | Rs. | 1.00 | 0.18 | 1.00 |
| Book value per certificate | Rs. | 12.94 | 11.04 | 11.63 |

Value Added Statement

| | 2020 - 21 | | 2019 - 20 | | 2018 - 19 | |
|--|------------------|-------|----------------|-------|----------------|-------|
| | Rs in '000 | % | Rs in '000 | % | Rs in '000 | % |
| Value Added | | | | | | |
| Revenue from Operations | 1,477,577 | 129% | 1,270,875 | 145% | 1,364,107 | 139% |
| Less: Operating expenses | (316,904) | (28%) | (357,896) | (41%) | (386,277) | (39%) |
| Other Income | (16,175) | (1%) | (35,890) | (4%) | 167 | 0% |
| | <u>1,144,498</u> | 100% | <u>877,089</u> | 100% | <u>977,997</u> | 100% |
| Value Allocated | | | | | | |
| To Employees | | | | | | |
| as remuneration | 560,723 | 49% | 494,607 | 56% | 558,540 | 57% |
| To Government | | | | | | |
| Income tax, sales tax others | 154,872 | 14% | 109,814 | 13% | 89,344 | 9% |
| To providers of Finance | | | | | | |
| as profit on Diminishing Musharaka | 63,000 | 6% | 68,797 | 8% | 49,179 | 5% |
| To Modarib | | | | | | |
| Modaraba Management Company | 21,306 | 2% | 3,486 | 0% | 11,819 | 1% |
| To Certificate Holders' | | | | | | |
| as profit on Modaraba Certificates | 75,000 | 6% | 13,637 | 2% | 75,000 | 8% |
| Retained in the business | | | | | | |
| as Depreciation including Amortisation | 188,132 | 16% | 170,080 | 19% | 124,323 | 13% |
| as Reserve and Retained Earnings | <u>81,465</u> | 7% | <u>16,668</u> | 2% | <u>69,792</u> | 7% |
| | <u>1,144,498</u> | 100% | <u>877,089</u> | 100% | <u>977,997</u> | 100% |

Balance Sheet Composition

| | 2020 - 21 Rupees | 2019 - 20 Rupees | 2018 - 19 Rupees |
|-------------------------|---------------------|---------------------|---------------------|
| Non-Current Assets | 1,454,696,676 | 1,203,097,551 | 1,212,804,336 |
| Current Assets | 620,491,649 | 474,057,290 | 394,583,762 |
| Non-Current Liabilities | 450,827,346 | 465,402,516 | 291,250,000 |
| Current Liabilities | 653,742,194 | 383,961,733 | 443,652,060 |
| Equity | 970,618,785 | 827,790,592 | 872,486,038 |



Vertical Analysis

| | 2021-20 | 2019-20 | 2018-19 |
|---|---------|---------|---------|
| BALANCE SHEET | | | |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | 70% | 71% | 74% |
| Intangible assets | 0% | 0% | 0% |
| Preliminary expenses and floatation costs | 0% | 0% | 1% |
| Long term deposits | 0% | 0% | 0% |
| | 70% | 71% | 75% |
| Current assets | | | |
| Stores, spares and loose tools | 3% | 3% | 2% |
| Accounts receivables | 10% | 12% | 11% |
| Loans, advances and other receivable | 3% | 4% | 2% |
| Tax refundable due from Government | 6% | 9% | 8% |
| Cash and bank balances | 8% | 1% | 2% |
| | 30% | 29% | 25% |
| | 100% | 100% | 100% |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Diminishing musharika financing | 20% | 28% | 18% |
| Lease liability | 0% | 0% | 0% |
| Deferred tax liability | 2% | 0% | 0% |
| | 22% | 28% | 18% |
| Current liabilities | | | |
| Current maturity of diminishing musharika financing | 14% | 2% | 10% |
| Current maturity of lease liability | 0% | 1% | 0% |
| Creditors, accrued and other liabilities | 17% | 20% | 18% |
| Unclaimed dividend | 0% | 0% | 0% |
| | 31% | 23% | 28% |
| FINANCED BY: | | | |
| Issued, subscribed and paid-up capital | 36% | 45% | 47% |
| Unappropriated profit | 5% | 1% | 5% |
| Statutory reserves | 6% | 3% | 2% |
| | 47% | 49% | 54% |
| | 100% | 100% | 100% |
| PROFIT AND LOSS ACCOUNT | | | |
| Ijarah rentals - net | 64% | 63% | 66% |
| Operation and maintenance income - net | 37% | 39% | 34% |
| Income on deposits with banks | 0% | 0% | 0% |
| (Loss) / Gain on disposal of fixed assets | -1% | -2% | 0% |
| Gross Revenue | 100% | 100% | 100% |
| Operating expenses | | | |
| Leasehold improvement written-off | 0% | 1% | 0% |
| Impairment loss | 0% | 0% | 0% |
| Administrative expenses | 4% | 5% | 3% |
| Marketing expenses | 0% | 0% | 0% |
| Preliminary expenses and floatation costs | 0% | 1% | 1% |
| Finance costs | 4% | 6% | 4% |
| (Reversal) / Provision against potential Ijarah losses and operation and maintenance income | 0% | 1% | 2% |
| Total Expenses | 84% | 97% | 91% |
| Modaraba Management Company's fee | 2% | 0% | 1% |
| Provision for Sindh Sales tax on Modaraba Management fees | 0% | 0% | 0% |
| Provision for Sindh Workers' Welfare Fund | 0% | 0% | 0% |
| Profit before tax | 14% | 3% | 8% |
| Taxation | 2% | 0% | 0% |
| Profit Margin | 12% | 3% | 8% |

Horizontal Analysis

| | 2021-20 | 2019-20 | 2018-19 |
|---|---------|---------|---------|
| BALANCE SHEET | | | |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | 21% | 0% | 6% |
| Intangible assets | 0% | -100% | 0% |
| Preliminary expenses and floatation costs | 0% | -100% | -50% |
| Long term deposits | 0% | 0% | -100% |
| Advances | 0% | 0% | 100% |
| | 21% | -1% | 4% |
| Current assets | | | |
| Stores, spares and loose tools | 37% | 95% | 63% |
| Accounts receivables | 9% | 16% | 8% |
| Loans, advances and other receivable | -10% | 81% | -14% |
| Tax refundable due from Government | -22% | 14% | 282% |
| Cash and bank balances | 782% | -52% | -16% |
| | 31% | 20% | 34% |
| | 24% | 4% | 10% |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Diminishing musharika financing | -9% | 59% | -29% |
| Lease liability | -100% | 100% | 0% |
| Deferred tax liability | 0% | 0% | 0% |
| | -3% | 60% | -29% |
| Current liabilities | | | |
| Current maturity of diminishing musharika financing | 912% | -82% | 228% |
| Current maturity of lease liability | -91% | 100% | 0% |
| Creditors, accrued and other liabilities | 5% | 21% | 94% |
| Unclaimed dividend | 130% | 10% | 100% |
| | 70% | -13% | 93% |
| FINANCED BY: | | | |
| Issued, subscribed and paid-up capital | 0% | 0% | 0% |
| Unappropriated profit | 232% | -68% | 53% |
| Statutory reserves | 156% | 43% | 144% |
| | 17% | -5% | 6% |
| | 24% | 4% | 10% |
| PROFIT AND LOSS ACCOUNT | | | |
| Ijarah rentals - net | 19% | -15% | 101% |
| Operation and maintenance income - net | 11% | 3% | 125% |
| Income on deposits with banks | 145% | -6% | -77% |
| (Loss) / Gain on disposal of fixed assets | -45% | -15351% | 0% |
| Gross Revenue | 18% | -11% | 106% |
| Operating expenses | 7% | -8% | 118% |
| Leasehold improvement written-off | -100% | 0% | 0% |
| Impairment loss | 0% | 100% | 0% |
| Administrative expenses | -8% | 43% | 201% |
| Marketing expenses | -47% | -87% | 61% |
| Preliminary expenses and floatation costs | -100% | 0% | 0% |
| Finance costs | -8% | 40% | 194% |
| (Reversal) / Provision against potential ijarah losses and operation and maintenance income | -141% | -57% | 17% |
| Total Expenses | 3% | -5% | 116% |
| Modaraba Management Company's fee | 511% | -71% | 44% |
| Provision for Sindh Sales tax on Modaraba Management fees | 511% | -71% | 44% |
| Provision for Sindh Workers' Welfare Fund | 511% | -71% | 44% |
| | 416% | -71% | 44% |

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, 2021.

The number of Board Members was increased to six in the Extra Ordinary General Meeting of Modaraba held on December 31, 2020. In line with the requirements of the Listed Companies Code of Corporate Governance Regulations, 2019, a lady member was elected on the Board. The present Board comprises of a well-balanced mix of independent and non-executive directors with varied backgrounds and rich experience in the fields of business, finance and banking. The Board is ably assisted by its committees. The Board and its committees meet frequently to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

The COVID-19 pandemic presented unprecedented challenges around the world with far-reaching implications for businesses and communities across sectors, especially for those in the financial services sector. However, modest pick-up in economic activity which began in the first quarter of current fiscal year and gained momentum during year, provided opportunities to your Modaraba for business expansion. Assets of Rs. 462 million were acquired during the year resulting in increase in revenue from ijarah rental to Rs. 920 million from Rs. 772 million in previous year – an increase of 19 percent.

Profitability improved during the financial year – both revenue and cost parameters of operating profit improved to result in profit before tax of Rs. 185.2 million as against Rs. 30.3 in the previous year. Your Modaraba's efforts to control costs have borne fruit with cost to income ratio declined by 6 percent and administrative expenses reduced by 7.9 percent.

While your Modaraba pursued the strategy to strengthen its position in the existing business segment, the President of Pakistan promulgated the Tax Law (Second Amendment Ordinance 2021 with effect from March 22, 2021, subsequently ratified by the Finance Act 2021, whereby clause 100 of the Part 1 of the Second Schedule to the Income Tax Ordinance 2001 relating to the tax exemption available to the Modarabas on distribution of 90 percent stands withdrawn. As a result of this amendment, distribution to certificate holders will be lower effective financial year 2022.

The industrial sector has witnessed a turnaround in FY 2021 and is moving progressively on higher inclusive and sustainable growth path. As business of your Modaraba is mainly linked with growth of the corporate sector in Pakistan, the Modaraba's business is also expected to gain momentum with the comeback of industrial sector.

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



Muhammad Saeed
Chairman

Dated: September 24, 2021

Directors' Report

For the Year Ended June 30, 2021

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, 2021. The financial highlights are as follows:

| Financial Highlights | 2021 | 2020 |
|---|-----------------|---------------|
| | Rupees | Rupees |
| Revenue | 1,351,445,596 | 1,161,060,128 |
| Expenses - net | (1,013,796,311) | (944,378,579) |
| Gross Profit | 337,649,285 | 216,681,549 |
| Other Expenses - Net | (124,587,449) | (181,819,076) |
| Profit before Management fees | 213,061,836 | 34,862,473 |
| Management Company's Remuneration and other provision | (27,855,705) | (4,557,919) |
| Profit before taxation | 185,206,131 | 30,304,554 |
| Taxation | (28,740,889) | - |
| Profit after taxation | 156,465,242 | 30,304,554 |
| Un-appropriated profit brought forward | 27,791,108 | 87,638,831 |
| Transfer to Statutory Reserve | (78,232,621) | (15,152,277) |
| Profit distribution for the year ended | (13,637,049) | (75,000,000) |
| Un-appropriated profit carried forward | 92,386,680 | 27,791,108 |
| Earnings per certificate - Basic and Diluted | 2.09 | 0.40 |
| Break up value per certificate | 12.94 | 11.04 |

Economic Review

The FY 2021 began in the midst of the most severe global health crisis experienced in modern history. Pakistan's economy, like rest of the world, struggled to combat the economic consequences of COVID-19 shock through prompt measures for supporting the economy and saving the lives and livelihoods. Timely measures taken by the Government in the form of lock down policy, rapid vaccination drive, maintaining of policy rate at 7%, macro stabilization measures and structural reforms supported by international development partners improved business sentiments and thus stimulating economic activities. The Country's economy recovered from the effects of pandemic and posted GDP growth of 3.94 percent in fiscal year 2020 -21 which is significantly higher than the targeted growth of 2 percent of outgoing fiscal year and previous year's negative growth of 0.47%. The strong growth was largely due to performance of large scale manufacturing and growth in service sector.

SBP's foreign exchange reserves rose to \$ 27.2 billion at August 2021. FBR tax collection also witnessed a significant growth of around 18 percent during FY2021 owing to the revival of domestic economic activity. Pakistan's external position remained at its strongest in many years. Current account posted a surplus of \$ 0.8 billion, during the first 11 months of FY2021 for the first time in 17 years due to ongoing pickup in exports, inflows of foreign exchange through the Roshan Digital Account which crossed the \$1.5 billion mark and workers' remittances posted historically high growth of 27 percent and reached to \$ 29.4 billion. However, in June 2021 owing to increase in imports on account of rise in crude oil prices and vaccine arrivals, the current account recorded a deficit of \$ 1.85

billion for fiscal year 2020-21 which was 0.6% of the GDP being lowest in 10 years

GDP growth is projected to rise from 3.9 percent in FY21 to 4 - 5 percent in fiscal year 2021 - 22 with acceleration over the medium term and average inflation to moderate at 7 - 9 percent. The direction of the budget for 2021 is to fix the economy first with steady progress towards more sustainable and inclusive growth path. However, 2nd wave of pandemic in October 2020 followed by 3rd wave in March 2021 and on-going fourth Covid wave in Pakistan and the global spread of new variants has created uncertainties of continuous economic growth.

We expect that financial year 2021-22 will be also a challenging year due to after effects of pandemic on trade and industry and on overall businesses coupled with higher incidence of tax on rental business of the Modaraba due to withdrawal of tax exemption by Finance Act, 2021-22. The ultimate growth outcome will remain uncertain and largely dependent on control of deadly virus and capacity of Modaraba to absorb impact of highly unfavorable and discriminative imposition of taxes on the rental business of Modaraba.

Review of Operations

Revenue for the year under review was Rs. 1,351.44 million (2020: Rs. 1,161.06 million) and operating expenses were Rs. 1,013.79 million (2020: Rs. 944.38 million) resulting in a gross profit of Rs. 337.65 million (2020: Rs. 216.68 million.) The Modaraba recorded profits before Management Fee at Rs. 213.06 million (2020: Rs. 34.86 million). The Modaraba has recognized deferred tax liability of Rs. 28.74 million as the tax exemption available on Modarabas has been withdrawn by virtue of Finance Act, 2021. The after tax profit for the year was Rs. 156.46 million (2020: Rs. 30.30 million) which increased the earnings per certificate to Rs. 2.09 from Rs. 0.40 last year. Increase in profits was mainly due to early termination of Ijarah Contracts which resulted in saving of Ujrah payments by Rs. 116.02 million. Close monitoring of the portfolio resulted in reversal of provisions.

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 current taxation is made in the financial statement.

Profit Distribution

The Board is pleased to announce a cash dividend of 10% i.e. Re. 1/- 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:

- **Business Risk**

Due to significant reliance on generator rental business the Modaraba is facing a risk from disruption of gas supplies to the industry and rise in the cost of new generators mainly due to significant increase in exchange rate. The currency market has been extremely volatile over the past few months, resulting in depreciation of the Pakistani Rupee against a basket of major currencies. The currently prevalent market rates of generator rent do not offer adequate return on investment in new generators. Therefore, the management of Modaraba will remain prudent and cautious in its investment strategy.

- **Credit Risk**

Modaraba is exposed to inherent default risks in the business of Ijarah. The Modaraba is carrying risks in terms of default in rental payments by lessee and other risks such as non-possession of owned asset, misuse or abuse by lessee, accidents, theft, and breakdown. The assets have been deployed at different industrial sectors through out the Country to minimize the concentration and default risks.

- **Economic Risk**

Pakistan faces considerable challenges to its political and macro-economic stability, particularly fiscal and external account deficits. With the Country reliant on foreign funding and international support, the next few weeks will be crucial due to recent development in a neighboring Country. The main issue that experts point to is the security risk posed by the domestic terror group. 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.

- **Liquidity Risk**

The main source of funding of Modaraba is Diminishing Musharaka. Its exposure to interest risk is limited, given its musharaka financing is at 1 year / 3 months KIBOR + 1.5 percent per annum. Financial strength of the Modaraba is adequate considering support provided by the associated company for managing its funding and going forward Modaraba intend to keep its leveraging at manageable level.

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

Future Outlook

Pakistan's economy rebounded in FY 2021 and is moving progressively on higher inclusive and sustainable growth path on the back of various measures taken by the Government during the year. The industrial sector has witnessed a turnaround mainly because of accommodative Government policies.

Finance Act, 2021-22 has withdrawn tax exemption which was permissible to a Modaraba in terms of section 37 of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (the Modaraba Ordinance). Over a period of forty years, Modaraba companies had the privilege of tax exemption, provided the modaraba companies distribute 90% of the profit to its certificate holders. Through Finance Act 2021, Clause 100 of the Part I of the Second Schedule to the Income Tax Ordinance, 2001 relating to the Tax Exemption available to the Modarabas stands withdrawn. The after tax profitability of Orient Rental Modaraba will be materially impacted as incidence of tax is expected to be as high as 50%. The Board of Eman Management (Pvt) Ltd. (Management Company) will review the future viability of the rental business in view of above changes made in Finance Act 2021 and consider other avenues of revenue streams that ensures sustainable margins.

The Board of Directors

On January 01, 2021, election of directors was held as the Board completed its term. The Board was re-constituted, and the number of directors were increased from five to six. The composition of the Board members is as under:

| | |
|-------------------------|---|
| Independent Directors | 2 |
| Non-Executive Directors | 4 |

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 | Meeting Attended |
|-------------------------------|------------------|
| Mr. Muhammad Saeed | 4 |
| Mr. Nasim Ahmed | 4 |
| Mr. Chaudhary Jawaid Iqbal ** | 2 |
| Mr. Giasuddin Khan | 4 |
| Mr. Joozer Jiwa Khan | 4 |
| Ms. Saba Agrawalla ** | 2 |
| Mr. Teizoon Kijat * | 2 |

* Appointed as Director on October 7, 2020 to fill casual vacancy in place of Mr. Ali Akbar Abdullah and held the position for the remainder of the term.

** Elected as Director on January 01, 2021.

Board Audit Committee

The Board of Directors has established an Audit Committee, in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, 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.

| Name | Meeting Attended |
|-------------------------------|------------------|
| Mr. Joozer Jiwa Khan | 4 |
| Mr. Nasim Ahmed | 4 |
| Mr. Chaudhary Jawaid Iqbal ** | 2 |
| Ms. Saba Agrawalla ** | 2 |
| Mr. Teizoon Kijat * | 1 |

* Appointed as Director on October 7, 2020 to fill casual vacancy in place of Mr. Ali Akbar Abdullah and held the position for the remainder of the term.

** Elected as Director on January 01, 2021.

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 year, Human Resource and Remuneration Committee was re-constituted as a result of election of directors. It conducted 1 (one) meeting during the year. The position of attendance is as follows.

| Name | Meeting Attended |
|----------------------|------------------|
| Mr. Joozer Jiwa Khan | 1 |
| Mr. Muhammad Saeed | 1 |
| Mr. Nasim Ahmed | 1 |
| Mr. Teizoon Kisat | 1 |

Risk Management Committee

The Board of Directors in compliance with the Regulations formed Risk management Committee. The Risk Committee is primarily responsible for setting up risk appetite and design and implement of appropriate risk management and internal control systems that identify the risk facing the Modaraba and enable the Board to make a robust assessment of the principal risks.

The members of Risk Management Committee are as follows.

| Name |
|----------------------------|
| Mr. Chaudhary Jawaid Iqbal |
| Ms. Saba Agrawalla |
| Mr. Giasuddin Khan |
| Mr. Teizoon Kisat |

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, 2021 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, 2021 is Rs. 88,902,652 (June 30, 2020: Rs. 57,526,583).

Credit Rating

The Modaraba successfully obtained long term rating of A - and short-term rating of A2. The rating was assigned by The Pakistan Credit Rating Agency Limited.

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 was 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, 2021 is included in this report along with the proxy form.

Directors Training Program

During the year, one director obtained certification under Director's Training Program from SECP's approved institutions bringing the total number of certified /exempted director to four.

Related Party Transactions

In accordance with the requirements of the Regulations, the Modaraba 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 Modaraba.

Subsequent Events

No material changes and commitments affecting the financial position of the Modaraba 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 Modaraba is determined by the Board from time to time.

Shari'ah Audit Report

The Modaraba continues to seek guidance from its Shari'ah Advisor, Alhamd Shari'ah Advisory Services, 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, 2021 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, 2022 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.



Iqbal Hussain
Chief Executive Officer

September 24, 2021



Chairman



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

لحمده و نصلی علی رسولہ الکریم

Annual Shariah Advisor's Report

For the year ended June 30, 2021

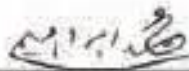
We conducted the Shariah review of Orient Rental Modaraba for the financial year ended on June 30, 2021 in accordance with the requirements of the *Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas*:

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

- I. ORM executed number of operating lease and operation and Technical Engineering Services contracts with different reputable clients. The agreements entered into by the Modaraba are Shariah compliant and on the approved formats and all the related conditions have been met;
- II. To the best of our information and according to the explanations given to us, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shariah requirements.
- III. For investment and operational purposes, Modaraba is operating the Bank accounts maintained with Islamic Banks.
- IV. For risk mitigation, the Modaraba effectively adopted and maintained Takaful coverage(s) with Takaful companies for its generators and other assets.

CONCLUSION:

Based on the extensive reviews of sample cases of operating lease and maintenance contracts, related documentation, processes, it is our candid opinion that, the affairs, activities and transactions, performed by the Modaraba during the year are in compliance with the rules & principles of Shariah and in light of the guidelines issued by the Registrar Modaraba, Securities & Exchange Commission of Pakistan.



Mufti Muhammad Ibrahim Essa
CEO & Director
Alhamd Shariah Advisory Services (Pvt.) Limited
Dated: 10, September, 2021



Mufti Ubaid ur Rahman Zubairi
Director
Alhamd Shariah Advisory Services (Pvt.) Limited



Address: Flat 503, 8th Floor Ibrahim Residency, C.P & Berar Society, Karachi.

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Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2021

This statement is being presented to comply with Listed Companies (Code of Corporate Governance) Regulations, 2019. Although 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 7 (seven) comprising of:
 - a) Male 6
 - b) Female 1
2. The composition of Board is as follows:
 - a) Independent Director: Mr. Joozer Jiwa Khan
Ms. Saba Ahmed Agrawalla
 - b) Other Non-executive Director: Mr. Muhammad Saeed
Mr. Nasim Ahmed
Mr. Chaudhary Jawaid Iqbal
Mr. Giasuddin Khan
 - c) Chief Executive: Mr. Teizoon Kijat
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 has developed a Code of Conduct and has ensured that it was disseminated appropriately throughout the Modaraba along with supporting policies and procedures.
5. The Board has developed vision and mission statement, however, development of the overall corporate strategy of the Modaraba is in process. The Board of Directors of the Modaraba Management Company has developed significant policies and ensures that complete record of particulars of such policies along with their dates of approval and updates, is maintained by 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. Four out of seven directors of the Board have certification/exemption under Director's Training Program that meets the requirement of the listed Companies (Code of Corporate Governance) Regulations, 2019.
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/Independent Director);
 2. Mr. Nasim Ahmed (Non-executive Director)
 3. Mr. Chaudhary Jawaid Iqbal (Non-executive Director)
 4. Ms. Saba Ahmed Agrawalla (Independent Director)
 - b) HR and Remuneration Committee:
 1. Mr. Joozer Jiwa Khan (Chairman/Independent Director);
 2. Mr. Muhammad Saeed (Non-executive Director)
 3. Mr. Nasim Ahmed (Non-executive Director)
 4. Mr. Teizoon Kijat (Chief Executive)
 - c) Risk Management Committee:
 1. Mr. Chaudhary Jawaid Iqbal (Non-executive Director)
 2. Ms. Saba Ahmed Agrawalla (Independent Director)
 3. Mr. Giasuddin Khan (Non-executive Director)
 4. Mr. Teizoon Kijat (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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Modaraba.
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.
16. 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, 2022.
 - The Board of Directors of 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 complaint 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, 2022.



Chief Executive Officer

September 24, 2021



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, 2021 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, 2021.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph references where these are stated in the Statement of Compliance:

| Serial No. | Reference | Description |
|------------|-----------|---|
| 1 | 19 | The Board of Directors of the Modaraba Management Company is in the process of finalizing risk management policies. The process of approval shall be completed during the year ending June 30, 2022 |
| 2 | 19 | The Board of Directors of Modaraba Management Company is in process of finalizing adequate policies, systems and control for communication and disclosure with stakeholders, identification and redressal of grievances and queries of shareholders / investors and compliant arising from unethical practices. The process of approval shall be completed during the year ending June 30, 2022 |

KARACHI
DATED: SEPTEMBER 24, 2021



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, 2021 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, 2021 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 Management Company 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;
- 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 (XXXI 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, 2021 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

Page - 1

BDO Ebrahim & Co. Chartered Accountants

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- d) In our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba Management Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KARACHI

DATED: 24 SEP 2021



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.

BALANCE SHEET AS AT JUNE 30, 2021

| ASSETS | Note | June 30, 2021 (Rupees) | June 30, 2020 (Rupees) |
|---|------|---------------------------|---------------------------|
| Non-current assets | | | |
| Fixed assets | 5 | 1,449,522,991 | 1,198,399,551 |
| Intangible assets | 6 | 475,685 | - |
| Preliminary expenses and floatation costs | 7 | - | - |
| Long term deposits | 8 | 4,698,000 | 4,698,000 |
| | | <u>1,454,696,676</u> | <u>1,203,097,551</u> |
| Current assets | | | |
| Stores, spares and loose tools | 9 | 71,122,734 | 51,813,705 |
| Trade receivables | 10 | 213,481,505 | 196,182,742 |
| Loans, advances and other receivable | 11 | 58,300,969 | 64,494,860 |
| Tax refundable due from Government | 12 | 111,382,460 | 142,723,259 |
| Cash and bank balances | 13 | 166,203,981 | 18,842,724 |
| Total current assets | | <u>620,491,649</u> | <u>474,057,290</u> |
| TOTAL ASSETS | | <u>2,075,188,325</u> | <u>1,677,154,841</u> |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Authorised capital | | | |
| 75,000,000 certificates of Rs. 10/- each | | 750,000,000 | 750,000,000 |
| Issued, subscribed and paid-up capital | 14 | 750,000,000 | 750,000,000 |
| Unappropriated profit | | 92,386,680 | 27,791,108 |
| Statutory reserves | 15 | 128,232,105 | 49,999,484 |
| Total capital and reserves | | <u>970,618,785</u> | <u>827,790,592</u> |
| Non-current liabilities | | | |
| Diminishing musharika financing | 16 | 422,086,457 | 464,223,486 |
| Lease liability | 17 | - | 1,179,030 |
| Deferred Tax Liability | 18 | 28,740,889 | - |
| | | <u>450,827,346</u> | <u>465,402,516</u> |
| Current liabilities | | | |
| Current maturity of diminishing musharika financing | 16 | 292,069,168 | 28,861,725 |
| Current maturity of lease liability | 17 | 1,179,030 | 13,144,322 |
| Creditors, accrued and other liabilities | 19 | 360,232,459 | 341,841,923 |
| Unclaimed dividend | | 261,537 | 113,763 |
| | | <u>653,742,194</u> | <u>383,961,733</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>2,075,188,325</u> | <u>1,677,154,841</u> |
| CONTINGENCIES AND COMMITMENTS | 20 | | |

The annexed notes from 1 to 43 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, 2021**

| | Note | June 30, 2021 (Rupees) | June 30, 2020 (Rupees) |
|---|-------------|---------------------------|---------------------------|
| Ijarah rentals - net | 21 | 855,614,933 | 716,253,827 |
| Operation and maintenance income - net | 22 | 495,830,663 | 444,806,301 |
| | | <u>1,351,445,596</u> | <u>1,161,060,128</u> |
| Operating expenses | 23 | (1,013,796,311) | (944,378,579) |
| Gross Profit | | <u>337,649,285</u> | <u>216,681,549</u> |
| Income on deposits with banks | | 4,737,125 | 1,932,437 |
| Leasehold improvement written-off | | - | (7,380,314) |
| Impairment loss | | (4,460,027) | - |
| (Loss) / Gain on disposal of fixed assets | | (16,451,764) | (30,442,040) |
| | | <u>321,474,619</u> | <u>180,791,632</u> |
| Administrative expenses | 24 | (49,499,248) | (53,721,344) |
| Marketing expenses | | (343,610) | (649,506) |
| Preliminary expenses and floatation costs | 7 | - | (11,955,684) |
| Finance costs | 25 | (63,000,057) | (68,796,688) |
| (Reversal) / Provision against potential ijarah losses and operation and maintenance income | 10.2 & 10.4 | 4,430,132 | (10,805,937) |
| | | <u>(108,412,783)</u> | <u>(145,929,159)</u> |
| | | <u>213,061,836</u> | <u>34,862,473</u> |
| Modaraba Management Company's fee | 26 | (21,306,184) | (3,486,247) |
| Provision for Sindh Sales tax on Modaraba Management fees | 26 | (2,769,804) | (453,212) |
| Provision for Sindh Workers' Welfare Fund | | (3,779,717) | (618,460) |
| Profit before taxation | | <u>185,206,131</u> | <u>30,304,554</u> |
| Taxation | 27 | (28,740,889) | - |
| Profit for the year | | <u>156,465,242</u> | <u>30,304,554</u> |
| Earnings per certificate - basic and diluted | 28 | <u>2.09</u> | <u>0.40</u> |

The annexed notes from 1 to 43 form an integral part of these financial statements.

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


Chief Executive Officer


Director


Director

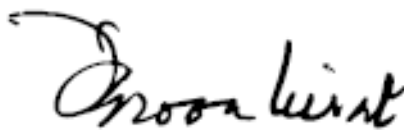

Chief Financial Officer

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021**

| | June 30, 2021 (Rupees) | June 30, 2020 (Rupees) |
|---|---------------------------|---------------------------|
| Profit for the year | 1,56,465,242 | 30,304,554 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 1,56,465,242 | 30,304,554 |

The annexed notes from 1 to 43 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, 2021**

| | Note | June 30, 2021 (Rupees) | June 30, 2020 (Rupees) |
|--|-------------|---------------------------|---------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 185,206,131 | 30,304,554 |
| Adjustments for non-cash and other items: | | | |
| Depreciation on fixed assets | 5.1 | 188,131,536 | 170,080,319 |
| Amortisation on intangible assets | 6 | 362,685 | 404,744 |
| Preliminary expenses and floatation costs | | - | 11,955,684 |
| Provision against potential ijarah losses and operation and maintenance income | 10.2 & 10.4 | (4,430,132) | 10,805,937 |
| Finance costs | 25 | 63,000,057 | 68,796,688 |
| Impairment loss | | 4,460,027 | - |
| Leasehold improvement written-off | | - | 8,279,940 |
| (Gain) / loss on disposal of fixed assets | | 16,451,764 | 30,442,040 |
| Provision for Sindh Workers' Welfare Fund | | 3,779,717 | 618,460 |
| Profit on bank deposits | | (4,737,125) | (1,932,437) |
| | | <u>267,018,529</u> | <u>299,451,375</u> |
| Operating profit before working capital changes | | 452,224,660 | 329,755,929 |
| (Increase) / decrease in current assets | | | |
| Stores, spare parts and loose tools | | (19,309,029) | (25,180,864) |
| Receivables | | (12,868,631) | (38,207,416) |
| Loans, advances and other receivables | | 6,616,430 | (28,769,204) |
| Increase / (decrease) in current liabilities | | | |
| Creditors, accrued and other liabilities | | 16,074,943 | 49,122,020 |
| Profit paid on diminishing musharaka financing | | (64,464,184) | (68,206,170) |
| Income taxes paid | | 31,340,799 | (18,048,904) |
| Net cash generated from operating activities | | <u>409,614,988</u> | <u>200,465,391</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions to fixed assets | | (506,762,020) | (295,586,089) |
| Sale proceeds on disposal of fixed assets | | 46,595,256 | 117,332,936 |
| Intangible assets | | (838,370) | - |
| Profit on bank deposits | | 4,314,586 | 1,836,378 |
| Net cash used in investing activities | | <u>(456,690,548)</u> | <u>(176,416,775)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Diminishing musharaka financing received | | 250,000,000 | 163,917,749 |
| Repayment of Diminishing musharaka financing | 16 | (28,929,586) | (122,082,538) |
| Repayment of lease liability | | (13,144,322) | (10,917,311) |
| Dividend paid | | (13,489,275) | (74,989,498) |
| Net cash generated / (used in) financing activities | | <u>194,436,817</u> | <u>(44,071,598)</u> |
| Net increase / decrease in cash and cash equivalents | | 147,361,257 | (20,022,982) |
| Cash and cash equivalents at beginning of year | | 18,842,724 | 38,865,706 |
| Cash and cash equivalents at end of year | 13 | <u>166,203,981</u> | <u>18,842,724</u> |

The annexed notes from 1 to 43 form an integral part of these financial statements.

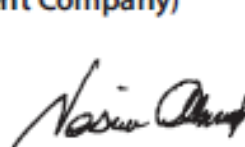
For Eman Management (Private) Limited
 (Modaraba Management Company)



Chief Executive Officer



Director



Director



Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

| | Paid-up certificate capital | Statutory reserve* | Unappropriated profit | Total |
|---|-----------------------------|--------------------|-----------------------|--------------|
| | (Rupees) | | | |
| 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 |
| Balance as at July 01, 2020 | 750,000,000 | 49,999,484 | 27,791,108 | 827,790,592 |
| Profit for the year | - | - | 156,465,242 | 156,465,242 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the year | - | - | 156,465,242 | 156,465,242 |
| Transfer to statutory reserve | - | 78,232,621 | (78,232,621) | - |
| Transaction with owners | | | | |
| Profit distribution for the year ended June 30, 2020 @ Re. 0.18 per certificate | - | - | (13,637,049) | (13,637,049) |
| Balance as at June 30, 2021 | 750,000,000 | 128,232,105 | 92,386,680 | 970,618,785 |

* 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 43 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, 2021

1. NATURE AND STATUS OF BUSINESS

Orient Rental Modaraba (the Modaraba) is a multipurpose and perpetual modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by Eman Management (Private) Limited (the Modaraba Management Company). The Modaraba Management Company is incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is registered with the Registrar of Modaraba Companies and Modaraba under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The Modaraba was formally listed on November 17, 2017 on Pakistan Stock Exchange Limited. After receiving the certificate of minimum subscription the Modaraba commenced its operations with effect from November 24, 2017. The Registered Office is situated at Plot # 9, Sector 24, Korangi Industrial Area, Karachi and the head office is located at 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, Modaraba Regulations 2021 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 Modaraba Regulations 2021 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 4(f).

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, intangible assets useful life 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 APPLICATION OF NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2021

| | Effective date (annual periods beginning on or after) |
|---|--|
| 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 |
| Amendments to IFRS 3 'Business Combinations' - Definition of a business | January 01, 2020 |
| Amendments to IFRS9 'Financial Instruments', IAS39 'Financial Instruments: Recognition and Measurement' and IFRS7 'Financial Instruments: Disclosures' - Interest rate benchmark | January 01, 2020 |
| Amendments to IFRS 16 'Leases' - Covid - 19 related rent concessions | June 01, 2020 |

| | Effective date (annual periods beginning on or after) |
|---|--|
| Amendments to IAS1 'Presentation of Financial Statements' and IAS8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material | January 01, 2020 |

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

| | |
|---|------------------|
| Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) | January 01, 2021 |
| Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework | January 01, 2022 |
| Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid-19 related rent concessions | April 01, 2021 |
| Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current | January 01, 2023 |
| Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies | January 01, 2023 |
| Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates | January 01, 2023 |
| Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction | January 01, 2023 |
| Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use | January 01, 2022 |
| Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract | January 01, 2022 |

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

**Effective date
(annual periods
beginning on
or after)**

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.

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.

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. Depreciation on minimum standard hours has been discontinued from the beginning of the financial year. Had there been no change in estimate, depreciation expense would have been higher by Rs. 2.521 million and profit for the year would have been lower by Rs. 2.192 million.

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-to-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 2 - 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:

- a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) 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

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.

| | Note | 2021 (Rupees) | 2020 (Rupees) |
|-------------------------------------|-------------|--------------------------|--------------------------|
| 5 FIXED ASSETS | | | |
| Operating fixed assets | 5.1 | 1,431,051,157 | 1,185,274,412 |
| Capital work in progress | 5.4 | 17,462,219 | - |
| Right of use asset - Leasehold land | 5.2 | 1,009,615 | 13,125,139 |
| | | 1,449,522,991 | 1,198,399,551 |

5.1 Operating fixed assets

The following is the statement of fixed assets:

| Description | OWN USE | | | | | | | | | | | Total (Rupees) |
|--|------------------------|-------------------------|---|-----------------------|--------------------------------------|------------------------------|--------------------------------------|------------------------|---------------------------------------|-----------------------|-------------------|-------------------|
| | Generators (Rupees) | Accessories (Rupees) | Machinery and equipments (Rupees) | Sub-total (Rupees) | Electronic appliances (Rupees) | Motor vehicle (Rupees) | Furniture and fixture (Rupees) | Generators (Rupees) | Leasehold improvements (Rupees) | Sub-total (Rupees) | Total (Rupees) | |
| Year ended June 30, 2021 | | | | | | | | | | | | |
| Net carrying value basis | | | | | | | | | | | | |
| Opening net book value | 1,010,685,518 | 53,868,116 | 68,158,800 | 1,132,712,434 | 7,513,294 | 18,394,150 | 2,806,481 | 1,267,758 | 22,580,295 | 52,561,578 | 1,185,274,412 | |
| Additions | 462,848,328 | 20,652,571 | - | 483,500,899 | 749,697 | 2,455,898 | - | - | - | 3,205,595 | 486,686,474 | |
| Transfer from Capital work-in-progress | - | - | - | - | - | - | - | - | 2,643,310 | 2,643,310 | 2,643,310 | |
| Disposals -NBT/ | (62,929,725) | - | (6,460,027) | (69,389,752) | (81,948) | (35,347) | - | - | - | (117,295) | (63,047,020) | |
| Impairment Loss | - | - | (6,460,027) | (6,460,027) | - | - | - | - | - | - | (6,460,027) | |
| Depreciation | (126,707,274) | (26,249,551) | (6,759,066) | (159,715,891) | (4,528,054) | (3,102,429) | (972,041) | (1,967,222) | (7,440,473) | (16,239,220) | (176,016,011) | |
| Closing net book value | 1,283,856,837 | 48,220,736 | 56,939,707 | 1,388,997,270 | 3,652,989 | 17,712,272 | 1,834,440 | 1,071,036 | 17,783,150 | 42,053,888 | 1,431,051,157 | |
| Gross carrying value basis | | | | | | | | | | | | |
| Cost | 1,690,515,346 | 105,090,923 | 70,511,807 | 1,866,058,076 | 15,275,058 | 25,997,194 | 3,859,169 | 1,639,344 | 33,187,015 | 79,877,774 | 1,945,955,850 | |
| Accumulated depreciation | (406,678,519) | (56,870,187) | (13,572,100) | (677,060,806) | (11,622,049) | (8,284,922) | (2,024,723) | (568,308) | (15,403,865) | (37,843,887) | (514,904,699) | |
| Net book value | 1,283,836,827 | 48,220,736 | 56,939,707 | 1,388,997,270 | 3,652,989 | 17,712,272 | 1,834,440 | 1,071,036 | 17,783,150 | 42,053,887 | 1,431,051,157 | |
| Year ended June 30, 2020 | | | | | | | | | | | | |
| Net carrying value basis | | | | | | | | | | | | |
| Opening net book value | 1,047,923,367 | 65,167,951 | 21,564,221 | 1,134,655,539 | 8,985,646 | 14,243,526 | 2,992,884 | 1,530,054 | 25,025,098 | 52,777,208 | 1,187,432,747 | |
| Additions | 164,081,391 | 30,102,827 | 51,645,021 | 245,829,239 | 3,118,074 | 6,987,660 | 739,938 | - | 15,061,951 | 25,907,683 | 271,794,922 | |
| Transfer from Capital work-in-progress | 32,164,328 | - | - | 32,164,328 | - | - | - | - | - | - | 32,164,328 | |
| Disposals -NBT/ | (124,112,114) | (16,427,235) | - | (140,539,349) | - | (173,127) | - | - | - | (173,127) | (140,712,476) | |
| Write-off -NBT/ | - | - | - | - | - | - | - | - | (7,380,314) | (7,380,314) | (7,380,314) | |
| Depreciation | (108,977,454) | (24,975,427) | (5,048,442) | (139,955,323) | (4,590,426) | (2,463,905) | (926,401) | (262,290) | (10,126,440) | (18,569,472) | (157,964,795) | |
| Closing net book value | 1,010,685,518 | 53,868,116 | 68,158,800 | 1,132,712,434 | 7,513,294 | 18,394,150 | 2,806,481 | 1,267,758 | 22,580,295 | 52,561,578 | 1,185,274,412 | |
| Gross carrying value basis | | | | | | | | | | | | |
| Cost | 1,294,281,098 | 84,428,352 | 74,071,894 | 1,452,781,224 | 14,797,482 | 23,528,936 | 3,859,169 | 1,639,344 | 30,543,706 | 74,368,641 | 1,528,048,865 | |
| Accumulated depreciation | (283,595,520) | (30,560,236) | (6,813,094) | (320,968,790) | (7,284,188) | (5,134,846) | (1,052,682) | (371,586) | (7,963,411) | (21,806,663) | (342,775,453) | |
| Net book value | 1,010,685,518 | 53,868,116 | 68,158,800 | 1,132,712,434 | 7,513,294 | 18,394,150 | 2,806,481 | 1,267,758 | 22,580,295 | 52,561,578 | 1,185,274,412 | |
| Life (years) | Note 4.3 | Note 4.2 | Note 4.2 | Note 4.2 | 33% | 20% | 20% | 20% | Note 4.2 | | | |

5.1.1 This includes generators and related equipments acquired by the Modaraba amounting to Rs. 8,046 million and Rs. Nil million (2019: Rs. 71,307 million and Rs. 134,133) from Orient Energy Systems (Private) Limited, and Orient Energy Systems (Paco) and respective associated companies. (Note 34)

5.1.2 This includes generators, machinery and equipments, and motor vehicles taken under (diminishing) Musharaka amounting to Rs.671,799 million (2019: 620,124 million), Rs. 37,982 (2019: 37,982), and Rs. 4.38 million (2019: 5.81) respectively.

5.2 Right of use assets - Leasehold land

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

| Leasehold land | 2021 (Rupees) | 2020 (Rupees) |
|--|------------------|------------------|
| Balance as at July 1, 2020 | 1,009,615 | 13,125,139 |
| Depreciation charge during the year | (12,115,524) | (2,240,663) |
| | 1,009,615 | 10,884,476 |
| Breakup of depreciation is as follows: | | |
| Operating expenses | 23 | 163,325,248 |
| Administrative expenses | 34 | 2,425,718 |
| | 168,131,536 | 170,801,319 |

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 | Mode of disposal | Purchaser |
|--|-------------------|--------------------------|-------------------|-------------------|---------------------------|----------------------|--|
| Generators | 65,210,000 | 3,355,737 | 61,854,263 | 44,825,401 | (17,028,862) | Negotiation | Lake City Management (Private) Limited |
| Generator | 1,404,000 | 328,538 | 1,075,462 | 1,623,932 | 548,470 | Negotiation | Royal traders |
| Items of book value not below Rs. 500,000 each | | | | | | | |
| Electronic Appliances | 319,792 | 202,497 | 117,295 | 145,923 | 28,628 | Negotiation | Various |
| | <u>66,933,792</u> | <u>3,886,772</u> | <u>63,047,020</u> | <u>46,595,256</u> | <u>(16,451,764)</u> | | |
| | | | | | Note | 2021 (Rupees) | 2020 (Rupees) |

5.4 Capital work-in-progress

Generators under overhauling
 Advance to Suppliers

| | |
|-------------------|----------|
| 16,734,777 | - |
| <u>727,442</u> | <u>-</u> |
| <u>17,462,219</u> | <u>-</u> |

| | Civil works | Generators under overhauling | Advance to suppliers | Total |
|---------------------------------------|-------------|------------------------------|----------------------|----------------------|
| Opening balance | - | - | - | - |
| Additions (at cost) | 2,643,330 | 16,734,777 | 727,442 | 20,105,549 |
| Transferred to operating fixed assets | (2,643,330) | - | - | (2,643,330) |
| Closing balance | <u>-</u> | <u>16,734,777</u> | <u>727,442</u> | <u>17,462,219</u> |
| | | | 2021 (Rupees) | 2020 (Rupees) |

6 INTANGIBLE ASSETS

Year ended June 30, 2021

Net carrying value basis

Software and license

| | | |
|---|----------------|-----------|
| Opening net book value (NBV) | - | 404,744 |
| Addition | 838,370 | - |
| Amortisation on software and license | (362,685) | (404,744) |
| | <u>475,685</u> | <u>-</u> |
| Gross carrying value basis year ended June 30, 2021 | | |
| Cost | 838,370 | 513,195 |
| Accumulated amortization | (362,685) | (513,195) |
| Net book value | <u>475,685</u> | <u>-</u> |

| | | 2021 | 2020 |
|-------------|--|--------------------|--------------------|
| | | (Rupees) | (Rupees) |
| 7 | PRELIMINARY EXPENSES AND FLOATATION COSTS | | |
| | Preliminary expenses and floatation costs | - | 11,955,684 |
| | Less: Amortization of preliminary expense and floatation cost | - | (11,955,684) |
| | | <u>-</u> | <u>-</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 | 68,491,189 | 51,813,705 |
| | Spare parts and loose tools - in transit | 2,631,545 | - |
| | | <u>71,122,734</u> | <u>51,813,705</u> |
| 9.1 | Spare parts and loose tools consists of items related to generators and machines. | | |
| 10 | TRADE RECEIVABLES | | |
| | Unsecured | | |
| | Ijarah rentals receivables | 131,632,040 | 107,858,665 |
| | Operation and maintenance income receivables | 81,849,465 | 88,324,077 |
| | | <u>213,481,505</u> | <u>196,182,742</u> |
| 10.1 | Ijarah rentals receivables | | |
| | Considered good | 125,006,842 | 80,827,892 |
| | Non-performing portfolio (classified portfolio) | 28,772,549 | 53,142,474 |
| | Provision against potential ijarah losses | (22,097,351) | (26,111,701) |
| | | 6,625,198 | 27,030,773 |
| | | <u>131,632,040</u> | <u>107,858,665</u> |
| 10.2 | Provision against potential ijarah losses | | |
| | Opening balance | 26,111,701 | 22,872,253 |
| | Charged during the year | 4,957,210 | 6,871,564 |
| | Reversal during the year | (8,971,560) | (3,632,116) |
| | Closing balance | <u>22,097,351</u> | <u>26,111,701</u> |

| | | 2021 (Rupees) | 2020 (Rupees) |
|---|------|--------------------------------|--------------------------------|
| 10.3 Operation and maintenance income receivable | | | |
| Considered good | | 80,044,836 | 77,799,140 |
| Non-performing portfolio (classified portfolio) | | 32,584,481 | 41,720,571 |
| Provision against potential ijarah losses on operation and maintenance income receivable | 10.4 | (30,779,852) | (31,195,634) |
| | | <u>1,804,629</u> | <u>10,524,937</u> |
| | | <u>81,849,465</u> | <u>88,324,077</u> |
| 10.4 Provision against potential loss on operation and maintenance income receivable | | | |
| Opening balance | | 31,195,634 | 23,629,145 |
| Charged during the year | | 2,697,961 | 7,566,489 |
| Reversal during the year | | (3,113,743) | - |
| Closing balance | | <u>30,779,852</u> | <u>31,195,634</u> |
| | | | |
| | | 2021 (Rupees) | 2020 (Rupees) |
| 11 LOANS, ADVANCES AND OTHER RECEIVABLE | | | |
| Insurance claim receivable | | 3,374,772 | 2,448,227 |
| Sales tax adjustable | 11.1 | 29,561,108 | 44,984,793 |
| Loans and advances to staff | 11.2 | 4,076,041 | 3,365,437 |
| Earnest money | | 2,856,880 | 1,913,766 |
| Advances and prepayments | 11.3 | 10,962,527 | 9,534,509 |
| Security deposit | | 1,904,500 | 1,109,500 |
| Profit receivable from bank | | 588,935 | 166,396 |
| Other receivables | 11.4 | 4,976,206 | 972,232 |
| | | <u>58,300,969</u> | <u>64,494,860</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. 2.389 million (2020: Rs. 2.104 million) related to advance against expenses and Rs. 1.687 million (2020: Rs. 1.261 million) related to loan to staff which is secured against staff provident fund.

11.3 This includes Rs. 0.972 million (2020: Rs. 0.613 million) receivable from Eman Management (Private) Limited, an associated company.

11.4 This includes amounting Rs. 4.8 million (2020: Rs. Nil) that pertains to retention money held by the customer against the sale of generators.

| | 2021 (Rupees) | 2020 (Rupees) |
|---|------------------|------------------|
| 12 TAX REFUNDS DUE FROM GOVERNMENT | | |
| Advance income tax | 111,382,460 | 142,723,259 |

During the year, the President of Pakistan promulgated the Tax Law (Second Amendment) Ordinance, 2021, (Ordinance 2021), with effective from March 22, 2021, whereby Clause 100 of the Part I of the Second Schedule to the Income Tax Ordinance, 2001 relating to the Tax Exemption available to the Modarabas stands withdrawn. This was subsequently ratified by the Finance Act, 2021. However, the Modaraba entities were allowed relaxation by virtue of section 242 of the Income Tax Ordinance, 2001 by which Modaraba can avail tax exemption till June 30, 2021 subject to subject to the fulfillment of condition that not less than 90 percent of its total profits, as reduced by the amount transferred to the mandatory reserve, as required under the provisions of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, are distributed amongst the certificate holders.

| | 2021 (Rupees) | 2020 (Rupees) |
|----------------------------------|------------------|------------------|
| 13 CASH AND BANK BALANCES | | |
| Cash in hand | 376,686 | 544,666 |
| Balances with banks | | |
| Current accounts | 4,678,765 | 4,630,797 |
| Deposit accounts | 161,148,530 | 13,667,261 |
| | 165,827,295 | 18,298,058 |
| | 166,203,981 | 18,842,724 |

13.1 These balances carry profit at rates ranging from 4% to 6.5% per annum (2020: 3.5% to 6.5% per annum).

14 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

| 2021 Number of certificates | 2020 Number of certificates | | 2021 (Rupees) | 2020 (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, 2021 (2020: 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. 78.233 million (2020: Rs. 15.152 million) which represents 50% (2020: 50%) of the profit after tax.

| | | 2021 | 2020 |
|--|---|----------------------|----------------------|
| | | (Rupees) | (Rupees) |
| 16 DIMINISHING MUSHARAKA FINANCING | | | |
| (Secured) | | | |
| Diminishing musharaka financing | | 714,155,625 | 493,085,211 |
| Due within one year | 16.3 | <u>(292,069,168)</u> | <u>(28,861,725)</u> |
| | | <u>422,086,457</u> | <u>464,223,486</u> |
| 16.1 Movement in diminishing musharaka financing | | | |
| Balance as at July 01 | | 493,085,211 | 451,250,000 |
| Diminishing musharaka financing obtained during the year | | 250,000,000 | 163,917,749 |
| Repaid during the year | | <u>(28,929,586)</u> | <u>(122,082,538)</u> |
| Balance as at June 30 | | <u>714,155,625</u> | <u>493,085,211</u> |
| 16.2 | The total facility from Musharaka finance available from financial institutions and Modaraba amounts to Rs. 950 million and Rs. 12.913 million respectively. These facilities have maturities from March 2019 to December 2024 (2020: March 2019 to October 2022) and are secured against the hypothecation of Ijarah assets. Share of profit payable on these facilities is 19.17% to 14.99% per annum (2020: 12.80% to 15.25% per annum). | | |

| | | 2021 | 2020 |
|--|------|---------------------|---------------------|
| | | (Rupees) | (Rupees) |
| 17 LEASE LIABILITY | | | |
| Lease liability | | 1,179,030 | 14,323,352 |
| Due within one year | 17.1 | <u>(1,179,030)</u> | <u>(13,144,322)</u> |
| | | <u>-</u> | <u>1,179,030</u> |
| 17.1 Movement in lease liability | | | |
| Balance as at July 01 | | 14,323,352 | - |
| Lease liability obtained during the year | | - | 25,240,663 |
| Repaid during the year | | <u>(13,144,322)</u> | <u>(10,917,311)</u> |
| Balance as at June 30 | | <u>1,179,030</u> | <u>14,323,352</u> |
| Maturity analysis-contractual undiscounted cashflow | | | |
| Less than one year | | 1,191,802 | 14,244,878 |
| One to five year | | - | 1,191,802 |
| Total undiscounted cash flow | | <u>1,191,802</u> | <u>15,436,680</u> |

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

| | 2021 (Rupees) | 2020 (Rupees) |
|--|------------------|------------------|
| 18 DEFERRED TAXATION | | |
| Deferred Taxation | 28,740,880 | - |
| 18.1 The net balance for deferred taxation is in respect of following temporary differences | | |
| Taxable temporary differences | | |
| Accelerated tax depreciation allowance | 59,278,045 | - |
| Deductible temporary differences | | |
| Unused Tax losses | 10,430,751 | - |
| Others | 20,106,405 | - |
| | 30,537,156 | - |
| | 28,740,880 | - |

19 CREDITORS, ACCRUED AND OTHER LIABILITIES

| | | | |
|--|------|-------------|-------------|
| Remuneration payable to Modaraba Management Company | 26 | 21,306,184 | 3,486,247 |
| Creditors for spare parts and fixed assets (cash rental payable) | 19.1 | 2,778,174 | 252,652,430 |
| Advances / deposits from customer | | 19,699,701 | 20,828,132 |
| Withholding Income and sales tax payable | | 22,338,562 | 16,239,369 |
| Accrued liabilities | | 23,298,065 | 22,521,110 |
| Payable to Provident Fund | 19.2 | 4,656,186 | 4,562,299 |
| Accrued profit on diminishing musharaka financing | | 7,366,814 | 8,830,941 |
| Provision for Sindh Workers' Welfare Fund | 19.3 | 7,954,014 | 4,174,297 |
| Provision for indirect taxes | | 5,828,759 | 3,058,955 |
| | | 260,232,459 | 341,841,923 |

19.1 This amount includes Rs. 227.311 million (2020: Rs. 232.141 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.

19.2 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.

19.3 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. 7.954 million in these financial statement.

20 CONTINGENCIES AND COMMITMENTS

20.1 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 Ijarah 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. 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 15212223 / 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.

20.2 Commitments

20.2.1 Contractual rentals receivable on Ijarah contracts

Future minimum Ijarah receivables on the basis of Ijarah agreements executed up to June 30, 2021 are as follows:

| | Ijarah rentals receivables 2021 (Rupees) | Ijarah rentals receivables 2020 (Rupees) |
|---|--|--|
| Receivables - not later than one year | 582,735,609 | 453,834,400 |
| Receivables - later than one year and not later than five years | 11,638,810 | 7,540,000 |
| | <u>11,638,810</u> | <u>461,374,400</u> |

| | | Operation and maintenance income receivables 2021 (Rupees) | Operation and maintenance income receivables 2020 (Rupees) |
|---|---|--|--|
| Receivables - not later than one year | | 66,944,219 | 62,009,922 |
| Receivables - later than one year and not later than five years | | - | 2,171,052 |
| | | <u>66,944,219</u> | <u>64,180,974</u> |
| | | 2021 (Rupees) | 2020 (Rupees) |
| 21 IJARAH RENTALS - NET | | | |
| Ijarah rentals | 21.1 | 919,506,442 | 771,721,462 |
| Less: Sales tax | | (63,891,509) | (55,467,635) |
| | | <u>855,614,933</u> | <u>716,253,827</u> |
| 21.1 | This includes sub-ijarah income amounting to Rs. 116.292 million (2020: Rs. 305.170 million). | | |
| 22 OPERATION AND MAINTENANCE INCOME - NET | | | |
| Operation and maintenance income | | 558,071,010 | 499,153,464 |
| Less: Sales tax | | (62,240,347) | (54,347,163) |
| | | <u>495,830,663</u> | <u>444,806,301</u> |
| 23 OPERATING EXPENSES | | | |
| Salaries and allowances | 23.1 | 531,122,417 | 466,107,812 |
| Repair, maintenance and related cost | 23.2 | 158,453,107 | 78,358,135 |
| Depreciation | 5.1 | 185,705,818 | 163,325,248 |
| Ijarah payments | 23.3 | 13,211,807 | 129,234,176 |
| Insurance | | 66,431,108 | 56,024,467 |
| Fuel, freight and transportation | | 25,898,775 | 24,496,470 |
| Staff accommodation and meals | | 13,529,096 | 12,434,155 |
| Yard rent and related expenses | | 7,824,239 | 7,011,721 |
| Utilities and communication | | 5,713,539 | 3,568,623 |
| Others | | 5,906,405 | 3,817,772 |
| | | <u>1,013,796,311</u> | <u>944,378,579</u> |

- 23.1 This includes contribution of Rs. 22,855 million (2020: Rs. 22,690 million) to the staff provident fund.
- 23.2 This amount includes consumable parts and loose tools purchased and service and maintenance charges amounting to Rs. 149,337 million (2020: Rs. 77,121 million) and Rs. 13,857 million (2020: Rs. 8,464 million) respectively, acquired from Orient Energy Systems (Private) Limited, an associated company. It also includes consumable parts and loose tools purchased amounting to Rs. 39,205 million (2020: Rs. Nil) acquired from Orient energy system, Fzco.
- 23.3 This represents quarterly installments paid to ORIX Leasing Pakistan Limited against 69 (2020: 69) generators obtained on Ijarah. During the year, the modaraba has early terminated the Ijarah contract by acquiring all the generators under the Ijarah contract.

| | | 2021 | 2020 |
|--------------------------------------|------|-------------------|-------------------|
| | | (Rupees) | (Rupees) |
| 24 ADMINISTRATIVE EXPENSES | | | |
| Salaries and allowances | 24.1 | 29,600,659 | 28,498,965 |
| Utilities, postage and communication | | 2,330,509 | 3,115,304 |
| Printing and stationary | | 847,450 | 1,423,300 |
| Depreciation | 5.1 | 2,425,718 | 6,755,071 |
| Fee and subscription | | 2,155,962 | 2,116,641 |
| Legal and professional charges | | 2,749,173 | 1,998,393 |
| Shariah advisor fee | | 721,548 | 675,000 |
| Fuel and transportation | | 924,391 | 1,092,018 |
| Auditors' remuneration | 24.2 | 615,770 | 533,400 |
| Education and training | | 261,238 | 633,661 |
| Cleaning and maintenance | | 511,449 | 173,270 |
| IT related services | | 4,431,433 | 4,407,000 |
| Amortisation on intangible assets | 6 | 362,685 | 404,744 |
| Other expenses | | 1,561,263 | 1,894,577 |
| | | 49,499,248 | 53,721,344 |

24.1 This includes contribution of Rs. 1,464 million (2020: Rs. 1,353 million) to the staff provident fund.

24.2 Auditors' Remuneration

| | | |
|------------------------|----------------|----------------|
| Annual fee | 275,000 | 275,000 |
| Half yearly review fee | 178,200 | 150,000 |
| Certification fee | 82,400 | 32,400 |
| Out of pocket expenses | 80,170 | 76,000 |
| | 615,770 | 533,400 |

25 FINANCE COST

| | | |
|--|-------------------|-------------------|
| Financial charges on Diminishing Musharaka Financing | 61,638,614 | 65,781,437 |
| Financial charges on lease liability | 1,100,556 | 2,649,239 |
| Bank charges | 260,887 | 366,012 |
| | 63,000,057 | 68,796,688 |

26 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. 21.306 million (2020 Rs. 3.486 million). Furthermore, during the current year, an amount of Rs. 2.770 million (2020 Rs. 0.453 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.

27 TAXATION

| | 2021 | 2020 |
|--------------|-------------------|-----------------|
| | (Rupees) | (Rupees) |
| For the year | | |
| Deferred | <u>28,740,889</u> | <u>-</u> |

As explained in note 12, during the year, the President of Pakistan promulgated the Tax Law (Second Amendment) Ordinance, 2021, (Ordinance 2021), with effective from March 22, 2021, whereby Clause 100 of the Part I of the Second Schedule to the Income Tax Ordinance, 2001 relating to the Tax Exemption available to the Modarabas stands withdrawn. This was subsequently ratified by the Finance Act, 2021. However, the Modaraba entities were allowed relaxation by virtue of section 242 of the Income Tax Ordinance, 2001 by which Modaraba can avail tax exemption till June 30, 2021 subject to the fulfillment of condition that not less than 90 percent of its total profits, as reduced by the amount transferred to the mandatory reserve, as required under the provisions of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, are distributed amongst the certificate holders.

The management 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, 2021. Accordingly, no provision in respect of current taxation has been made in these financial statements.

28 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

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

| | | |
|---|--------------------|-------------------|
| Profit for the year | <u>156,465,242</u> | <u>30,304,554</u> |
| Weighted average number of certificates outstanding | <u>75,000,000</u> | <u>75,000,000</u> |
| Earnings per certificate - Basic and diluted (Rupees) | <u>2.09</u> | <u>0.40</u> |

- 28.1 There were no convertible dilutive potential ordinary certificates outstanding as on June 30, 2021 which have dilutive effect on earnings per certificate.

29 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 | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2021 (Rupees) | 2020 (Rupees) | 2021 (Rupees) | 2020 (Rupees) | 2021 (Rupees) | 2020 (Rupees) |
| Basic salary | 51,145,313 | 59,998,592 | 246,251,826 | 221,634,578 | 297,397,139 | 281,633,170 |
| Bonus | | | | | | |
| House rent allowance | 23,015,383 | 26,999,340 | 110,813,240 | 99,735,151 | 133,828,623 | 126,734,491 |
| Utility allowance | 5,114,501 | 5,999,883 | 24,625,773 | 22,164,071 | 29,740,274 | 28,163,954 |
| Vehicle allowance | 12,736,977 | 14,158,408 | 2,709,498 | 2,703,716 | 15,446,475 | 16,862,124 |
| Conveyance allowance | - | 266,775 | 309,160 | 370,238 | 309,160 | 637,013 |
| Provident Fund | 5,096,384 | 5,801,693 | 19,223,536 | 18,241,786 | 24,319,920 | 24,043,479 |
| Contribution to Employees' old age benefit | 244,401 | 209,869 | 7,915,578 | 7,539,872 | 8,159,979 | 7,749,741 |
| Medical benefits | 5,527,719 | 5,023,683 | 4,566,863 | 4,934,250 | 10,094,582 | 9,957,933 |
| Others | 3,713,099 | 3,195,777 | 37,713,825 | 39,350,090 | 41,426,924 | 42,545,867 |
| | <u>106,593,777</u> | <u>121,654,020</u> | <u>454,129,299</u> | <u>416,673,752</u> | <u>560,723,076</u> | <u>538,327,772</u> |
| Number of persons | <u>38</u> | <u>39</u> | <u>1,460</u> | <u>1,213</u> | <u>1,498</u> | <u>1,252</u> |

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, 2021 | Profit rate | Six months or less | Six to twelve months | One to five years | Over five years | Total contractual cashflows |
|--|---------------------|--------------------|----------------------|--------------------|-----------------|-----------------------------|
| Diminishing musharaka financing | 1 year KIBOR + 1.5% | 135,582,986 | 156,486,182 | 422,086,457 | - | 714,155,625 |
| Lease liability | | 1,179,030 | - | - | - | 1,179,030 |
| Creditors, accrued and other liabilities | | 324,111,123 | - | - | - | 324,111,124 |
| Dividend payable | | 261,537 | - | - | - | 261,537 |
| Total | | 461,134,677 | 156,486,182 | 422,086,457 | - | 1,039,707,316 |

| June 30, 2020 | Profit rate | Six months or less | Six to twelve months | One to five years | Over five years | Total contractual cashflows |
|--|---------------------|--------------------|----------------------|--------------------|-----------------|-----------------------------|
| 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 |

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:

| | 2021 (Rupees) | 2020 (Rupees) |
|--------------------------------------|--------------------------------|--------------------------------|
| Trade receivables | 213,481,505 | 196,182,742 |
| Loans, advances and other receivable | 22,475,335 | 14,673,558 |
| Bank balances | <u>165,827,295</u> | <u>18,298,058</u> |
| | <u>401,784,135</u> | <u>229,154,358</u> |

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 it's 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:

| | | |
|--|---------------------|---------------------|
| Not past due | 133,433,615 | 95,643,794 |
| past due by 0 to 90 days | 71,618,063 | 62,983,238 |
| past due by 90 to 180 days | 7,795,864 | 18,106,659 |
| past due by 180 to 360 days | 6,227,052 | 25,556,570 |
| past due by 360 days | <u>47,284,114</u> | <u>51,199,816</u> |
| | 266,358,708 | 253,490,077 |
| Less: Provision against potential ljarah losses and operation and maintenance income | <u>(52,877,203)</u> | <u>(57,307,335)</u> |
| | <u>213,481,505</u> | <u>196,182,742</u> |

The Modaraba places its surplus funds with banks carrying good credit standing assessed by reputable credit agencies. As at June 30, 2021 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 + |

| | 2021 (Rupees) | 2020 (Rupees) |
|---|--------------------------------|--------------------------------|
| 30.6 Financial instruments by category | | |
| Financial assets at amortised cost | | |
| Trade receivables | 213,481,505 | 196,182,742 |
| Loans, advances and other receivable | 22,475,335 | 14,673,558 |
| Bank balances | <u>165,827,295</u> | <u>18,298,058</u> |
| | <u>401,784,135</u> | <u>229,154,358</u> |

| | 2021 (Rupees) | 2020 (Rupees) |
|--|--------------------|--------------------|
| Financial liabilities at amortised cost | | |
| Diminishing musharaka financing | 714,155,625 | 493,085,211 |
| Creditors, accrued and other liabilities | 281,113,357 | 275,020,060 |
| Lease liability | 1,179,030 | 14,323,352 |
| Unclaimed dividend | 261,537 | 113,763 |
| | <u>996,709,550</u> | <u>782,542,386</u> |

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

As at year ended June 30, 2021, 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, 2020 | 493,085,211 | 493,085,211 |
| Addition to diminishing musharaka financing | 250,000,000 | 250,000,000 |
| Repayment of diminishing musharaka financing | (28,929,586) | (28,929,586) |
| Movement of liabilities to cash flows | 221,070,414 | 221,070,414 |
| Balance as at June 30, 2021 | <u>714,155,625</u> | <u>714,155,625</u> |

34 NON-CASH INVESTING AND FINANCING ACTIVITIES

| | | |
|---|---|-------------------|
| Acquisition of leasehold land by means of finance lease | - | <u>25,240,663</u> |
|---|---|-------------------|

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>2021 (Rupees)</u> | <u>2020 (Rupees)</u> |
|--|------------------------------------|--------------------------|--------------------------|
| Associated company Orient Energy Systems (Private) Limited | Purchase / overhauling of: | | |
| | - generators | 8,046,486 | 60,201,127 |
| | - accessories | - | 11,106,387 |
| | - stores, spares and loose tools | 149,337,263 | 104,659,500 |
| | Service and maintenance charges | 13,586,666 | 8,464,383 |
| | Rental for generators | 16,795,000 | 5,990,000 |
| | Operation and maintenance services | 17,568,954 | 437,500 |
| Employees' Provident Fund Trust | Contribution for the year | 24,319,920 | 24,043,479 |
| Associated company Orient Energy Systems FZCO | Stores, spares and loose tools | 39,205,204 | - |
| | Purchase of generators | - | 134,153,778 |
| Modaraba Management Company Eman Management (Private) Limited | Reimbursement of expenses | 257,453 | 525,381 |
| | Management fees | 21,306,184 | 3,486,247 |
| | Dividend paid | 1,350,000 | 7,500,000 |
| Directors | Dividend paid | 2,250,000 | 12,500,000 |
| Key management personnel | Remuneration | 29,587,978 | 26,492,349 |
| | Contribution to provident fund | 1,539,018 | 1,453,032 |
| | Dividend paid | 1,814 | 6,906 |

35.2 Year end balances

| <u>Relationship with the Modaraba</u> | <u>Nature of transactions</u> | <u>2021 (Rupees)</u> | <u>2020 (Rupees)</u> |
|--|---|--|---|
| 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 | <u>227,311,016</u> <u>9,209,000</u> | <u>232,141,001</u> <u>2,565,067</u> |
| Modaraba Management Company Eman Management (Private) Limited | Management fee payable Receivable against PSO fleet charges Outstanding certificates 7,500,000 (2020: 7,500,000) | <u>21,306,184</u> <u>870,947</u> <u>75,000,000</u> | <u>3,624,926</u> <u>613,494</u> <u>75,000,000</u> |
| Directors | Outstanding certificates 12,500,000 (2020: 12,500,000) | <u>125,000,000</u> | <u>125,000,000</u> |
| Key management personnel | Outstanding certificates 10,008 (2020: 10,008) | <u>-</u> | <u>100,080</u> |

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, 2021 | | | |
| Revenue | 855,614,933 | 495,830,663 | 1,351,445,596 |
| Costs | 647,646,239 | 366,150,072 | 1,013,796,311 |
| Reportable segment profit | <u>207,968,694</u> | <u>129,680,591</u> | <u>337,649,285</u> |
| 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> |

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

| | 2021 | 2020 |
|--|--------------------|-------------------|
| | (Rupees) | (Rupees) |
| Total results for reportable segments | 337,649,285 | 216,681,549 |
| Other non-operating (loss) / income | (16,174,666) | (35,889,917) |
| Marketing and administrative expenses | 49,842,858 | 54,370,850 |
| Preliminary expenses and floatation costs | - | 11,955,684 |
| Finance costs | 63,000,057 | 68,796,688 |
| (Reversal) /Provision against potential ijarah losses and operation and maintenance income | (4,430,132) | 10,805,937 |
| Other non-operating expenses | 27,855,705 | 4,557,919 |
| | <u>185,206,131</u> | <u>30,304,554</u> |

Segment assets / liabilities

| | Ijarah rentals | Operation and maintenance | Total |
|---------------------|-----------------------|----------------------------------|--------------------|
| | (Rupees) | (Rupees) | (Rupees) |
| As at June 30, 2021 | | | |
| Segment assets | 1,611,861,593 | 84,706,345 | 1,696,567,938 |
| Segment liabilities | <u>969,306,613</u> | <u>-</u> | <u>969,306,613</u> |
| As at June 30, 2020 | | | |
| Segment assets | 1,400,313,978 | 133,937,640 | 1,534,251,618 |
| Segment liabilities | <u>760,178,961</u> | <u>-</u> | <u>760,178,961</u> |

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

| | 2021 (Rupees) | 2020 (Rupees) |
|--|----------------------|----------------------|
| Total for reportable segment assets | 1,696,567,938 | 1,534,251,618 |
| Unallocated assets | 378,620,387 | 142,903,223 |
| Total assets as per balance sheet | <u>2,075,188,325</u> | <u>1,677,154,841</u> |
| Total for reportable segment liabilities | 969,306,613 | 760,178,961 |
| Unallocated liabilities | 135,262,927 | 89,185,288 |
| Total liabilities as per balance sheet | <u>1,104,569,540</u> | <u>849,364,249</u> |

37 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Modaraba Management Company in their meeting held on September 24, 2021 have approved profit distribution at the rate of 10% i.e. Re. 1.00 (2020 1.8% i.e. Re. 0.18) per certificate for the year ended June 30, 2021. These financial statements do not reflect this distribution.

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 24, 2021 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.

41 NUMBER OF EMPLOYEES

The number of employees as at year end was 1,244 (2020: 1,053).

42 IMPACT OF COVID-19 ON FINANCIAL STATEMENTS

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 except those disclosed in notes to the financial statements.



FOCUSED ON SOLUTIONS

43 GENERAL

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

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

Chief Executive Officer

Director

Director

Chief Financial Officer

PATTERN OF CERTIFICATE HOLDING As at June 30, 2021

| 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 | | | | |
| ASJN 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, modarabas 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 | | | | |
| EMAN MANAGEMENT (PVT.) LIMITED | | 7,500,000 | 10.00 | |
| MEEZAN BANK LIMITED | | 6,638,953 | 8.85 | |
| MOHAMMAD SAEED | | 6,250,000 | 8.33 | |
| NASIM AHMED | | 6,250,000 | 8.33 | |
| CHAUDHRY JAWAID IQBAL | | 6,250,000 | 8.33 | |
| AZHAR IQBAL | | 6,250,000 | 8.33 | |
| ASJN HOLDINGS (PVT.) LIMITED | | 5,000,000 | 6.67 | |

PATTERN OF CERTIFICATE HOLDING
As of June 30, 2021

| 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 |

شریچہ آڈٹ رپورٹ

مضاربہ حسب ضرورت اپنے شریچہ ایڈوائزر احمد شریچہ ایڈوائزر سے رہنمائی حاصل کرتا رہتا ہے۔ اندرونی آڈٹ ڈپارٹمنٹ کو بھی مضاربہ کے روزمرہ کے امور کی دیکھ بھال کی تربیت دی گئی ہے کہ وہ شریچہ پالیسیز اور اصولوں کی پابندی کو یقینی بنائیں۔

مضاربہ کے امور سے متعلق جاری شدہ شریچہ آڈٹ رپورٹ برائے مدت مختتمہ 30 جون 2021 سالانہ مالیاتی اسٹیٹمنٹس کے ساتھ منسلک ہے۔

آڈیٹرز

آڈٹ کمیٹی کی سفارش پر بورڈ نے میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو بطور آڈیٹرز برائے سال مختتمہ 30 جون 2022 کے لئے متفقہ مشاہرے پر مقرر کیا ہے جو رجسٹر آف مضاربہ کمپنیز اینڈ مضاربہ باز کی منظوری سے مشروط ہے۔

اعتراف

بورڈ رجسٹر آف مضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کے وقتاً فوقتاً تعاون، مدد اور رہنمائی کا خلوص دل سے شکر گزار ہے۔

بورڈ سٹریٹجیٹک ہولڈرز کے اورینٹ گروپ کے ساتھ جڑے رہنے اور مضاربہ کے ملازمین کا ان کی خدمات اور صارفین کی توقعات کے مطابق معیاری خدمات کی فراہمی پر شکر یہ ادا کرتا ہے، جو مضاربہ کے کاروبار کے تسلسل کو یقینی بناتے ہیں۔

چیئرمین

چیف ایگزیکٹو آفیسر

24 ستمبر 2021

سرٹیفیکیٹ ہولڈنگ کا طرز

مضار بہ کے سرٹیفیکیٹ ہولڈنگ کا طرز کا اسٹیٹمنٹ اور اضافی معلومات بمطابق 30 جون 2021 رپورٹ کے ہمراہ مع پراکسی فارم رپورٹ میں شامل ہے۔

ڈائریکٹرز کا تربیتی پروگرام

سال کے دوران میں ایک ڈائریکٹر نے SECP کے منظور شدہ ادارے سے ڈائریکٹر ٹریننگ پروگرام کے تحت سرٹیفیکیشن کیا جس سے سرٹیفائیڈ/مستثنیٰ ڈائریکٹر کی تعداد چار ہو گئی۔

متعلقہ پارٹیز کے ساتھ لین دین

ضابطے کی شرائط کے مطابق مضار بہ نے متعلقہ پارٹیز کے ساتھ کئے گئے تمام لین دین آڈٹ کمیٹی اور بورڈ کے سامنے بالترتیب ان کے جائزے اور منظوری کیلئے بھی دیئے گئے ہیں۔

اندرونی مالیاتی کنٹرولز

اندرونی مالیاتی کنٹرولز کے بارے میں ڈائریکٹرز پوری طرح آگاہ ہیں۔ انتظامیہ اور آڈیٹرز (اندرونی اور بیرونی دونوں) کے ساتھ گفت و شنید میں دونوں نے تصدیق کی ہے کہ مضار بہ میں مناسب کنٹرولز نافذ کئے گئے ہیں۔

بعد کے واقعات

مالیاتی سال کے اختتام اور رپورٹ کی تاریخ کے درمیان کوئی ایسی مادی تبدیلیاں اور عہد نہیں کئے گئے جو مضار بہ کی مالی حیثیت پر اثر انداز ہوں

نان ایگزیکٹیو ڈائریکٹرز کیلئے مشاہرے کی پالیسی

نان ایگزیکٹیو اور خود مختار ڈائریکٹرز کے مضار بہ اور کمیٹی کے اجلاس میں شرکت کے مشاہرے کا تعین بورڈ وقتاً فوقتاً کرتا ہے۔

- مضاربہ کے اکاؤنٹس کی کتب کو مناسب طور پر مرتب کیا گیا ہے۔
- مالیاتی اسٹیٹمنٹس کی تیاری میں ہر جگہ حسابات کی پالیسیز کو درست طور پر استعمال کیا گیا ہے اور حسابات کے تخمینے موزوں اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالیاتی اسٹیٹمنٹ، پاکستان میں مضاربہ باز پر لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی بنیاد پر تیار کئے گئے ہیں۔
- اندرونی کنٹرول کے موجود نظام کا انٹرنل آڈٹ اور ایسے دوسرے طریقہ کار سے مسلسل جائزہ لیا جاتا ہے۔ جائزے کا عمل جاری رہے گا اور کنٹرولز میں کسی بھی خرابی کو دور کر دیا جائے گا۔
- مضاربہ کی موجودہ صلاحیت کے ساتھ کام جاری رکھنے میں کسی قسم کے شک و شبہ کی گنجائش نہیں ہے۔
- کارپوریٹ گورننس ریگولیشنز 2019 میں درج تفصیل کے مطابق کارپوریٹ گورننس کے بہترین طریقوں میں سے کوئی بات خارج نہیں کی گئی ہے۔
- زیر جائزہ مدت کی بنیادی آپریٹنگ اور مالیاتی معلومات مختصر طور پر سالانہ رپورٹ کے ساتھ منسلک کی گئی ہیں۔
- آپ کا مضاربہ کے ذمہ ٹیکس، ڈیویڈنڈ، محصولات اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے سوائے ان کے جن کو مالیاتی اسٹیٹمنٹس میں ظاہر کیا گیا ہے۔
- مضاربہ نے اپنے مستقل ملازمین کیلئے پراویڈنٹ فنڈ قائم رکھا ہے۔ غیر آڈٹ شدہ مالیاتی اسٹیٹمنٹس میں 30 جون 2021 کے مطابق سرمایہ کاری کی ویلیو -88,902,652 روپے ہے۔ (30 جون 2020: 57,526,583 روپے)۔

کریڈٹ ریٹنگ

مضاربہ نے کامیابی کے ساتھ طویل مدت کیلئے A- ریٹنگ اور قلیل مدت کیلئے A2 ریٹنگ حاصل کر لی ہے۔ یہ ریٹنگ پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ کی جانب سے مقرر کی گئی ہے۔

بورڈ میٹنگ کا مقام

مذکورہ مدت کے دوران میں بورڈ میٹنگز کراچی میں منظمہ کمپنی کے دفتر میں منعقد کی گئیں اور غیر ضروری اخراجات سے بچنے کیلئے پاکستان سے باہر کسی جگہ میٹنگ کا اہتمام نہیں کیا گیا۔

ڈائریکٹرز کے انتخابات کے نتیجے میں سال کے دوران انسانی وسائل اور مشاہرہ کمیٹی کی تشکیل نو کی گئی۔ سال میں اس کا صرف ایک اجلاس منعقد ہوا۔ حاضری کی صورتحال درج ذیل ہے

| نام | اجلاس میں حاضری |
|------------------|-----------------|
| جناب محمد سعید | 1 |
| جناب نسیم احمد | 1 |
| جناب تیزون کیساٹ | 1 |

رسک منیجمنٹ کمیٹی

بورڈ آف ڈائریکٹرز نے ضوابط کی پیروی میں رسک منیجمنٹ کمیٹی تشکیل دی۔ رسک منیجمنٹ کمیٹی کی بنیادی ذمہ داری رسک کا جائزہ لینا اور مناسب رسک منیجمنٹ اور اندرونی کنٹرول کے نظام کو تشکیل دینا اور اس پر عمل درآمد کرنا ہے تاکہ مضاربہ کیلئے رسک کی نشاندہی کرنا اور بورڈ کو بڑے رسک کی بھرپور جانچ فراہم کرنا ہے۔

رسک منیجمنٹ کمیٹی کے ممبران درج ذیل ہیں:

ڈائریکٹرز کے نام:

جناب چوہدری جاوید اقبال

مس صبا آگرہ والا

جناب غیاث الدین خان

جناب تیزون کساٹ

کارپوریٹ گورننس پر عمل درآمد

بورڈ آف ڈائریکٹرز مضاربہ کے تمام اہم معاملات جائزہ لیتا ہے۔ اس میں مضاربہ کی حکمت عملی کا رخ، متعلقہ پارٹنرز کے ساتھ لین دین اور طویل المدت سرمایہ کاری اور قرضہ جات کے فیصلے شامل ہیں۔ بورڈ کارپوریٹ گورننس کے اعلیٰ ترین معیار برقرار رکھنے کیلئے پرعزم ہے

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

• بورڈ آف ڈائریکٹرز ہمسرت مطلع کرتا ہے کہ مضاربہ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹ میں مضاربہ کے معاملات، آپریشنز کے نتائج، نقد قومات کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔

* جناب علی اکبر عبداللہ کی جگہ عارضی اسامی کو پُر کرنے کے لئے 17 اکتوبر 2020 کو بطور ڈائریکٹر تقرر کیا گیا اور بقیہ عرصے کے لئے عہدہ سنبھالا۔
** یکم جنوری 2021 کو بطور ڈائریکٹر منتخب ہوئے۔

بورڈ آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی پیروی میں آڈٹ کمیٹی تشکیل دی ہے جو اندرونی کنٹرولز اور کمپلائنس کی نگرانی کرتی ہے اور اپنے قیام سے موثر طور پر کام کر رہی ہے۔ آڈٹ کمیٹی نے بورڈ کے پاس جمع کرانے اور شائع ہونے سے قبل سہ ماہی، ششماہی اور سالانہ مالیاتی اسٹیٹمنٹ کا جائزہ لیا۔ آڈٹ کمیٹی نے مختلف مسائل بشمول ان کے انتظامیہ کو خط سے متعلق بیرونی آڈیٹرز کے ساتھ تفصیلی گفت و شنید کی۔ آڈٹ کمیٹی نے اندرونی آڈیٹرز کی دریافت کا بھی جائزہ لیا اور کوڈ آف کارپوریٹ گورننس کے تحت مطلوب اندرونی اور بیرونی آڈیٹرز کے ساتھ علیحدہ میٹنگز بھی کیں۔

یکم جنوری 2021 کو منعقد ہونے والے انتخابات کے نتیجے میں سال کے دوران میں آڈٹ کمیٹی کی تشکیل نو کی گئی۔ آڈٹ کمیٹی کے کل 4 اجلاس ہوئے۔ متعلقہ مدت میں حاضری کی صورت حال درج ذیل کے مطابق رہی:

| نام | اجلاسوں میں حاضری |
|----------------------------|-------------------|
| جناب جوزرجیو خان | 4 |
| جناب نسیم احمد | 4 |
| جناب چودھری جاوید اقبال ** | 2 |
| مس صبا آگرہ والا ** | 2 |
| جناب تیزون کیساٹ * | 1 |

* جناب علی اکبر عبداللہ کی جگہ عارضی اسامی کو پُر کرنے کے لئے 17 اکتوبر 2020 کو بطور ڈائریکٹر تقرر کیا گیا اور بقیہ عرصے کے لئے عہدہ سنبھالا۔
** یکم جنوری 2021 کو بطور ڈائریکٹر منتخب ہوئے۔

انسانی وسائل اور مشاہرہ کمیٹی:

بورڈ آف ڈائریکٹرز نے ریگولیشنز کی پیروی میں انسانی وسائل اور مشاہرہ کمیٹی (HRRC) کی تشکیل کی۔ HRCC بنیادی طور پر اہم انتظامی عملے کی جانچ اور معاوضے کے طریقہ کار پر عمل درآمد کی ذمہ دار ہے۔

مستقبل کا منظر نامہ

مالی سال 2021 میں پاکستانی معیشت میں بحالی آئی اور سال کے دوران میں حکومت کی جانب سے مختلف اقدامات کے باعث زیادہ وسیع اور مستحکم ترقی کے راستے پر تیزی سے گامزن ہے۔ صنعتی شعبہ کی واپس بحالی میں بھی موافق حکومتی پالیسیز کا حصہ ہے۔ فنانس ایکٹ 2021-22 میں ٹیکس سے استثنیٰ واپس لے لیا گیا جو مضاربہ کمپنیز اور مضاربہ (فلوٹیشن اینڈ کنٹرول) آرڈیننس 1980 (دی مضاربہ آرڈیننس) کے سیکشن 37 کے تحت حاصل تھا۔ مضاربہ کمپنیز نے چالیس سال کے عرصے تک ٹیکس کے استثنیٰ سے فائدہ اٹھایا اور اپنے منافع کا 90% اپنے سرٹیفیکیٹ ہولڈرز میں تقسیم کیا۔ فنانس ایکٹ 2021 کے ذریعے ٹیکس استثنیٰ سے متعلق انکم ٹیکس آرڈیننس 2001 کے سینڈ شیڈول کے پارٹ 1 کی شق 100 کے تحت مضاربہ کو دستیاب سہولت واپس لے لی گئی۔ اور اینٹ ریٹنل مضاربہ کے بعد از ٹیکس منفعت پر مادی طور پر اثر پڑے گا کیونکہ ٹیکس کے اس واقع سے ٹیکس میں 50% اضافے کی توقع ہے۔ بورڈ آف ایما منیجمنٹ پرائیویٹ لمیٹڈ (منیجمنٹ کمپنی) فنانس ایکٹ 2021 میں کی گئی درج بالا تبدیلی کے پیش نظر ریٹنل کاروبار میں مستقبل میں اتار چڑھاؤ کا جائزہ لے گا اور آمدنی کے دیگر ذرائع پر غور و خوض کرے گا جہاں مستحکم مارجن یقینی ہوں گے۔

بورڈ آف ڈائریکٹرز

بورڈ کی مدت مکمل ہونے کے بعد یکم جنوری 2021 کو ڈائریکٹرز کے انتخابات منعقد ہوئے۔ بورڈ کی تشکیل نو کی گئی اور ڈائریکٹرز کی تعداد میں اضافہ کر کے پانچ سے چھ کر دیا گیا۔ بورڈ ممبران کی ترتیب درج ذیل ہے:

2 خود مختار ڈائریکٹرز

4 نان ایگزیکٹو ڈائریکٹرز

رواں سال کے دوران بورڈ آف ڈائریکٹرز کے کل چار اجلاس منعقد ہوئے۔ متعلقہ عرصے کے دوران حاضری کی ترتیب درج ذیل رہی:

| اجلاسوں میں حاضری | نام |
|-------------------|---------------------------|
| 4 | جناب محمد سعید |
| 4 | جناب نسیم احمد |
| 2 | جناب چوہدری جاوید اقبال** |
| 4 | جناب غیاث الدین خان |
| 4 | جناب جوز جیوا خان |
| 2 | مس صبا آگرہ والا** |
| 2 | جناب تیز زون کیساٹ* |

گزشتہ چند ماہ سے کرنسی مارکیٹ انتہائی اتار چڑھاؤ کا شکار ہے جس کے نتیجے میں بڑی کرنسیوں کی بڑی مقدار کے مقابلے میں پاکستانی روپے کی قدر میں کمی واقع ہوئی۔ جزیئرینٹ کے موجودہ مارکیٹ ریٹس کے لحاظ سے نئے جزیئر پر سرمایہ کاری سے مناسب آمدنی نہیں حاصل ہوتی۔ اس لئے مضاربہ کی انتظامیہ اس پر سرمایہ کاری کیلئے دانشمندانہ اور محتاط رویہ رکھے گی۔

کریڈٹ کے خدشات

مضاربہ کو روایتی طور پر اجراء کے کاروبار میں نادرہنگی کا خدشہ رہتا ہے۔ مضاربہ کو یہ خدشہ کرائے پر حاصل کرنے والوں کی جانب سے کرائے کی ادائیگی میں نادرہنگی ہونے کے علاوہ دیگر خدشات بھی ہیں جیسے ملکیتی اثاثے کا قبضہ نہ ملنا یا کرایہ دار کی جانب سے غلط استعمال یا بدسلوکی، حادثات، چوری اور بریک ڈاؤن وغیرہ۔ نادرہنگی کے خدشات کو کم کرنے کیلئے یہ اثاثہ جات ملک بھر میں مختلف صنعتی شعبہ جات میں تعین کئے گئے ہیں۔

معاشی خدشات

پاکستان کو سیاسی اور میکرو اکنامکس، خصوصاً مالیاتی اور بیرونی اکاؤنٹ کے خسارے کی صورت میں قابل ذکر چیلنجز کا سامنا رہتا ہے۔ ملک کے بیرونی فنڈنگ اور بین الاقوامی تعاون پر انحصار کے ساتھ ساتھ پڑوسی ملک میں حالیہ پیش رفت کے باعث اگلے چند ہفتے نہایت تشویش ناک ہیں۔ ماہرین کے مطابق سب سے بڑا مسئلہ ملکی دہشت گرد روپ کی جانب سے سیکورٹی کا ہے۔ معاشی حالات میں تبدیلیوں سے مضاربہ کی کارکردگی بھی متاثر ہو سکتی ہے۔ دیگر عناصر جیسے مارکیٹ کی نمو، شرح سود اور زر مبادلہ کے ریٹس بھی مضاربہ کی آمدنی اور اثاثہ جات پر اثر انداز ہو سکتے ہیں۔

لیکوئیڈٹی کے خدشات

مضاربہ کیلئے فنڈز کا بڑا ذریعہ گھٹتا ہوا مشارکہ ہے۔ اس کے سود کے خدشات محدود ہیں، مشارکہ کی فنڈنگ ایک سال/تین ماہ KIBOR مع 1.5% سالانہ ہے۔ مضاربہ کی مالیاتی قوت، ایسوسی ایٹ کمپنی کے فراہم کردہ مناسب تعاون سے فنڈنگ میں اضافہ پر مبنی ہے اور آئندہ مضاربہ کا ارادہ اپنی انتظامی سطح کو بلند کرنا ہے۔ مذکورہ بالا خدشات کے ممکنہ اثرات کو ختم کرنے / قابل قبول سطح تک کم کرنے کے لئے مضاربہ ملکی اور بیرونی اسٹیک ہولڈرز کے ساتھ مل کر کام کرتا ہے۔

اس کا لامحالہ نتیجہ ترقی غیر یقینی کا شکار ہوگی جو مہلک دائرس کے کنٹرول ہونے پر منحصر ہوگی جب کہ مضاربہ کو انتہائی ناموافق اثرات اور مضاربہ کے ریٹیل کاروبار پر ٹیکسز کے امتیازی نفاذ کا مقابلہ کرنا ہوگا۔

آپریٹیشنز کا جائزہ

زیر جائزہ سال میں 1,351,44 ملین روپے کی آمدنی ہوئی (2020: 1,161 ملین روپے) اور آپریٹنگ کے اخراجات 1,013,79 ملین روپے (2020: 944.38 ملین روپے) رہے اس کے مطابق مجموعی منافع 337.65 ملین روپے حاصل ہوا۔ (2020: 216.68 ملین روپے)۔ مضاربہ نے 28.74 ملین روپے کے ڈیفریٹس کو حسابات میں ریکارڈ کرایا ہے جو فنانس ایکٹ 2021 کے تحت مضاربہ باز پر ٹیکس سے استثنیٰ واپس ہونے کی بناء پر واجب الادا ہوا تھا۔ سال کے لئے بعد از ٹیکس منافع 156.46 ملین روپے حاصل ہوا۔ (2020: 30.30 ملین روپے) جس سے فی سرٹیکلیٹ منافع گزشتہ سال کے 0.40 روپے سے بڑھ کر 09.2 روپے ہو گیا۔ منافع میں اضافے کی بڑی وجہ اجراء کنٹریکٹس کا خاتمہ تھا جس کے نتیجے میں اجراء کی ادائیگی کی مد میں 116.02 ملین روپے کی بچت ہوئی۔ پورٹ فولیو کی گہرائی سے نگرانی کے سبب پروڈیونز بالکل مخالف ہو گئے۔ مضاربہ اپنے منافع کا کم سے کم 190% اپنے سرٹیکلیٹ ہولڈرز کو تقسیم کرنے کا ارادہ رکھتا ہے جو قانونی ذخائر میں منتقلی کے باعث کم ہو گیا تھا اور اسی بناء پر مالیاتی اسٹینڈنٹ میں ٹیکس کے اکاؤنٹ کی کوئی مد نہیں ہے۔

منافع کی تقسیم

پورڈیونری 10% یعنی ہر 10 روپے والے سرٹیکلیٹس پر 1 روپے فی سرٹیکلیٹ کا اعلان کرتا ہے جو کوڈ اور ڈریسے پر ٹیکس سے مشروط ہے، جہاں لاگو ہے۔

بڑے خدشات اور غیر یقینی کیفیت

مضاربہ کو درہنہ طور پر خدشات اور غیر یقینی کیفیت کا سامنا رہتا ہے۔ تاہم بنیادی خدشات درج ذیل ہیں:

کاروباری خدشات

جزیر ریٹیل کاروبار پر نمایاں انحصار کے باعث مضاربہ صنعت کو گیس کی فراہمی میں خلل اور شرح مبادلہ میں اضافہ کے سبب نئے چیز پیکری قیمت میں اضافہ سے بڑے خدشے کا سامنا ہے۔

اس کا لامحالہ نتیجہ ترقی غیر یقینی کا شکار ہوگی جو مہلک وائرس کے کنٹرول ہونے پر منحصر ہوگی جب کہ مضاربہ کو انتہائی ناموافق اثرات اور مضاربہ کے رینٹل کاروبار پر ٹیکسز کے امتیازی نفاذ کا مقابلہ کرنا ہوگا۔

آپریشنز کا جائزہ

زیر جائزہ سال میں 1,351.44 ملین روپے کی آمدنی ہوئی (2020: 1,161 ملین روپے) اور آپریٹنگ کے اخراجات 1,013.79 ملین روپے (2020: 944.38 ملین روپے) رہے اس کے مطابق مجموعی منافع 337.65 ملین روپے حاصل ہوا۔ (2020: 216.68 ملین روپے)۔ مضاربہ نے 28.74 ملین روپے کے ڈیفریٹیکس کو حسابات میں ریکارڈ کرایا ہے جو فنانس ایکٹ 2021 کے تحت مضاربہ باز پرنیکس سے استثنیٰ واپس ہونے کی بناء پر واجب الادا ہوا تھا۔ سال کے لئے بعد از نیکس منافع 156.46 ملین روپے حاصل ہوا۔ (2020: 30.30 ملین روپے) جس سے فی سرٹیفکیٹ منافع گزشتہ سال کے 0.40 روپے سے بڑھ کر 09.2 روپے ہو گیا۔ منافع میں اضافے کی بڑی وجہ اجرہ کنٹریکٹس کا خاتمہ تھا جس کے نتیجے میں اجرہ کی ادائیگی کی مد میں 116.02 ملین روپے کی بچت ہوئی۔ پورٹ فولیو کی گہرائی سے نگرانی کے سبب پروویژنز بالکل مخالف ہو گئے۔ مضاربہ اپنے منافع کا کم سے کم 90% اپنے سرٹیفکیٹ ہولڈرز کو تقسیم کرنے کا ارادہ رکھتا ہے جو قانونی ذخائر میں منتقلی کے باعث کم ہو گیا تھا اور اسی بناء پر مالیاتی اسٹیٹمنٹ میں نیکس کے اکاؤنٹ کی کوئی مد نہیں ہے۔

منافع کی تقسیم

بورڈ ہمسرت 10% یعنی ہر 10 روپے والے سرٹیفکیٹس پر 1 روپے فی سرٹیفکیٹ کا اعلان کرتا ہے جو کوڈ اور ذریعے پر نیکس سے مشروط ہے، جہاں لاگو ہے۔

بڑے خدشات اور غیر یقینی کیفیت

مضاربہ کو روایتی طور پر خدشات اور غیر یقینی کیفیت کا سامنا رہتا ہے۔ تاہم بنیادی خدشات درج ذیل ہیں:

کاروباری خدشات

جزیر رینٹل کاروبار پر نمایاں انحصار کے باعث مضاربہ صنعت کو گیس کی فراہمی میں خلل اور شرح مبادلہ میں اضافہ کے سبب نئے جزیر کی قیمت میں اضافہ سے بڑے خدشے کا سامنا ہے۔

ڈائریکٹرز کی رپورٹ

اورینٹ رینٹل مضاربہ ("مضاربہ") کی منجمنٹ کمپنی ایمان منجمنٹ (پرائیویٹ) لمیٹڈ ("ایمان") کے بورڈ آف ڈائریکٹرز مضاربہ کے 30 جون 2021 کے ڈائریکٹرز کی رپورٹ مع آڈٹ شدہ حسابات بمسرت پیش کرتے ہیں۔ اس کی مالیاتی جھلکیاں درج ذیل ہیں:

| مالیاتی جھلکیاں | جون 2021 روپے | جون 2020 روپے |
|---|------------------|------------------|
| آمدنی | 1,351,445,596 | 1,161,060,128 |
| اخراجات | (1,013,796,311) | (944,378,579) |
| مجموعی منافع | 337,649,285 | 216,681,549 |
| دیگر اخراجات - خالص | (124,587,449) | (181,819,076) |
| منجمنٹ کمپنی کے معاوضے سے قبل منافع | 213,061,836 | 34,862,473 |
| منجمنٹ کمپنی کا معاوضہ اور دیگر اخراجات | (27,855,705) | (4,557,919) |
| قبل از ٹیکس منافع | 185,206,131 | 30,304,554 |
| ٹیکس | 28,740,889 | - |
| بعد از ٹیکس منافع | 156,465,242 | 30,304,554 |
| غیر تخصیص شدہ منافع گزشتہ سے پیوستہ | 27,791,108 | 87,638,831 |
| قانونی ریزرو میں منتقلی بحساب منافع کا 50% | (78,232,621) | (15,152,277) |
| برائے مدت (2020@50%) | | |
| منافع کی تقسیم برائے سال مختتمہ 30 جون 2020 | | |
| بحساب 0.18 روپے (برائے سال مختتمہ | | |
| 30 جون 2019 بحساب 0.1 روپے فی سٹیک (سٹیک) | (13,637,049) | (75,000,000) |
| غیر تخصیص شدہ منافع منتقلی برائے اگلی مدت | 92,386,680 | 27,791,108 |
| فی سٹیک آمدنی - بنیادی اور تحلیل شدہ | 2.09 | 0.40 |
| فی سٹیک بریک اپ ویلیو | 12.94 | 11.04 |

حالانکہ آپکا مضاربہ اپنی پوزیشن کو مستحکم کرنے کی حکمت عملی پر گامزن رہا۔ صدر مملکت پاکستان نے فیکس قوانین میں دوسری ترمیم آرڈینینس، 2021 کے تحت، مضاربہ کو فیکس کی مد میں دی گئی مراعات واپس لے لی گئی۔ اس ترمیم کے بعد سرٹیفیکیٹ ہولڈرز کو آئندہ سالوں میں منافع کی تقسیم میں کمی متوقع ہے۔

رواں مالی سال میں صنعتی شعبوں میں بہتری دیکھی گئی اور مزید بہتری کی توقع ہے۔ چونکہ مضاربہ کا کاروبار بنیادی طور پر پاکستان میں کارپوریٹ سیکٹر سے منسلق ہے لہذا صنعتی شعبوں میں بہتری کی واپسی مضاربہ کے کاروبار پر مثبت اثرات مرتب کر سکتی ہے۔

میں، چیف ایگزیکٹو ایڈیٹر اور ان کی ٹیم کا شکریہ ادا کرتا ہوں ان کی اٹھک محنت اور کاوشوں کا اعتراف کرتا ہوں۔ میں، رجسٹرار مضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کا شکریہ ادا کرتا ہے جنہوں نے مضاربہ کے کاروباری عمل کو احسن طریقے سے جاری رکھنے میں تعاون، مدد اور رہنمائی فراہم کی۔

میں اپنے سرٹیفیکیٹ ہولڈرز، ملازمین، صارفین، سپلائرز کا بھی ممنون ہوں جنہوں نے اورینٹ گروپ پر اپنا اعتماد کا اظہار کیا اور اپنے ہر ملازم کی محنت اور کاوشوں کا بھی متعرف اور شکر گزار ہوں جنہوں نے صارفین کی توقع کے مطابق معیاری خدمات فراہم کی اور مضاربہ کے کاروبار کی ترقی کو یقینی بنایا۔

محمد سعید
چیئرمین

تاریخ: 24 ستمبر، 2021

چیئر مین کی جائزہ رپورٹ

اورینٹ رینٹل مضاربہ ("مضاربہ") کی مینجمنٹ کمپنی ایمان مینجمنٹ (پرائیویٹ) لمیٹڈ ("ایمان") کے بورڈ آف ڈائریکٹرز کی جانب سے مضاربہ کے 30 جون 2021 کے آڈٹ شدہ مالیاتی حسابات بمسرت پیش کرتا ہوں۔

رواں مالی سال میں غیر معمولی جنرل میٹنگ منعقد کی گئی جس میں بورڈ کے ممبران کی تعداد میں اضافہ کیا گیا جس سے کل ممبران کی تعداد چھ (6) ہو گئی۔ کوڈ آف کارپوریٹ گورننس کے سفارشات کے تحت ایک خاتون کو بورڈ میں شامل کیا گیا ہے۔ موجودہ بورڈ کی اکثریت انڈیپنڈنٹ اور نان-ایگزیکوٹو ڈائریکٹرز پر مشتمل ہے جن کو مینکنگ، فائیننس اور کاروبار کے شعبے میں تجربہ اور مہارت حاصل ہے۔ بورڈ کو اپنی کمیٹی کی معاونت حاصل ہے۔ بورڈ اپنے کمیٹی ممبرز سے وقتاً فوقتاً ملتا ہے اور اپنی خدمات سرانجام دیتا رہتا ہے۔ انڈیپنڈنٹ اور نان-ایگزیکوٹو ڈائریکٹرز ہر اہم امور پر برابری شریک رہتے ہیں۔

کوویڈ-19 کے سبب عالمی سطح پر جو مشکلات رونما ہوئی اس کی کوئی نظیر نہیں ملتی، نیز اس کے تمام شعبہ ہائے زندگی پر دور رس اثرات مرتب ہوئے خاص کر کاروباری طبقہ۔ تاہم، رواں مالی سال کے پہلے سہ ماہی میں آنے والی مثبت تبدیلیوں نے کاروباری سرگرمیوں کو مزید تقویت دی جس کے باعث آپکے مضاربہ کو ترقی کے مزید مواقع فراہم ہوئے۔ 462 ملین روپے کے اثاثہ جات کی خرید کی گئی جسکے بدولت آمدن 772 ملین روپے سے بڑھ کر 920 ملین روپے ہو گئی جس کا تناسب 19 فیصد ہے۔

رواں مالی سال میں منافع کی شرح میں بہتری ہوئی، آمدن اور اخراجات دونوں اطراف سے بہتری دیکھنے میں آئی جس کی وجہ سے قبل ٹیکس منافع 185.2 ملین روپے رہا جبکہ گزشتہ مالی سال میں 30.3 ملین روپے رہا۔ آپکے مضاربہ کی کاوشوں رنگ لائی اور آمدن اور اپریٹنگ اخراجات میں کمی کا تناسب 6 فیصد جبکہ آمدن اور ایڈمن اخراجات میں 7.9 فیصد کمی دیکھنے میں آئی۔

بینک کو ڈیویڈنڈ مینڈیٹ فارم پر، جو مضاربہ کی ویب سائٹ پر دستیاب ہے، اپنا ڈیویڈنڈ مینڈیٹ اپنے متعلقہ بینک کو فراہم کریں۔ جن سرٹیفیکیٹ ہولڈرز کے شیئر سینٹرل ڈپازٹری سسٹم (CDS) میں ہیں، ان سے درخواست ہے کہ وہ اپنے بینک مینڈیٹ کی معلومات براہ راست متعلقہ شریک/سی ڈی سی انویسٹر اکاؤنٹ سروس کے پاس جمع کرائیں۔ بینک اکاؤنٹ کی تفصیلات دستیاب نہ ہونے یا نامکمل ہونے کی صورت میں مضاربہ ان کے نقد ڈیویڈنڈ کی ادائیگی روک لے گا جو یہ معلومات فراہم نہیں کریں گے۔ مزید معلومات کیلئے برائے مہربانی ہمارے شیئر رجسٹرار سے رابطہ کریں۔

۷۔ سالانہ مالیاتی اسٹیٹمنٹس کی ای میل کے ذریعے ترسیل

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کی ایس آر انمبر 2014(1)787 مورخہ 08 ستمبر 2014 کے ذریعے جاری کردہ ہدایات کے مطابق کمپنیز کو آڈٹ شدہ مالیاتی اسٹیٹمنٹس مع سالانہ جائزہ اجلاس نوٹس اپنے سرٹیفیکیٹ ہولڈرز کو بذریعہ ای میل بھیجنے کی اجازت دی ہے۔ جو سرٹیفیکیٹ ہولڈرز آئندہ مضاربہ کی سالانہ رپورٹ ای میل کے ذریعے حاصل کرنا چاہتے ہیں، ان سے درخواست ہے کہ وہ رضامندی کا فارم (مضاربہ کی ویب سائٹ پر دستیاب ہے) پُر کر کے ہمارے شیئر رجسٹرار کو واپس کریں۔

۸۔ غیر کلیم شدہ ڈیویڈنڈ

جو سرٹیفیکیٹ ہولڈرز کسی نہ کسی وجہ سے اپنے ڈیویڈنڈ کلیم نہیں کر سکے، اگر ہوں، ان کو ہدایت کی جاتی ہے کہ وہ اپنے غیر کلیم شدہ ڈیویڈنڈ، اگر ہوں، حاصل کرنے/کی معلومات کیلئے ہمارے شیئر رجسٹرار سے رابطہ کریں۔

۹۔ پتہ میں تبدیلی

سرٹیفیکیٹ ہولڈرز سے درخواست ہے کہ وہ اپنے پتہ میں کسی تبدیلی کی صورت میں (اگر ہو) تو شیئر ہولڈرز کو مطلع کریں۔

لاگو ہوگی۔ جن سرٹیفکیٹ ہولڈرز کے فوئیو/سی ڈی ایس مشترکہ ہیں، ان سے درخواست ہے کہ وہ اپنے سرٹیفکیٹ ہولڈنگ کے تناسب میں کسی تبدیلی کے بارے میں (تحریری طور پر) ہمارے شیئر رجسٹرار کو یا اپنے شرکاء/سی ڈی سی انویسٹر اکاؤنٹ سروسز کو مطلع کریں تاکہ تبدیل شدہ (اگر ہے تو) سرٹیفکیٹ ہولڈنگ کے تناسب کو ڈیویڈنڈ کی ادائیگی کیلئے ہمارے ریکارڈ میں درج کیا جاسکے۔

جو سرٹیفکیٹ ہولڈرز انکم ٹیکس کی کٹوتی سے استثنیٰ چاہتے ہیں یا کم شرح پر کٹوتی کے اہل ہیں، ان سے درخواست ہے کہ وہ کارآمد ٹیکس سرٹیفکیٹ یا ضروری دستاویزی ثبوت ہمارے شیئر رجسٹرار کے پاس پاس جمع کرائیں۔

جو شیئر ہولڈرز زکوٰۃ کی کٹوتی نہیں کروانا چاہتے، ان سے بھی درخواست ہے کہ وہ زکوٰۃ سے کٹوتی نہ کرنے کا کارآمد ڈیکلریشن جمع کرائیں۔

۵۔ سی این آئی سی / این ٹی این نمبر کا ڈیویڈنڈ وارنٹ پر اندراج (لازمی)

جیسا کہ پہلے بھی وقتاً فوقتاً مطلع کیا جاتا رہا ہے، SECP نے اپنے نوٹیفکیشن ایس آر او نمبر 2012/1(831) مورخہ 5 جولائی 2012 کے ذریعے ہدایت کی ہے کہ ڈیویڈنڈ وارنٹ (س) پر رجسٹرڈ سرٹیفکیٹ ہولڈرز کا کمپیوٹرائزڈ قومی شناختی کارڈ ('CNIC') نمبر درج ہونا چاہیے، سوائے اس صورت میں کہ وہ چھوٹے بچے (بچوں) کے یا کارپوریٹ سرٹیفکیٹ ہولڈر ہوں۔

SECP کی ہدایات اور کمپنیز ایکٹ 2017 کے سیکشن (2) 243 کی شرائط کے مطابق کارآمد CNIC (انفرادی صورت میں) کی کاپی اور قومی ٹیکس نمبر (کارپوریٹ ادارے کی صورت میں) دستیاب نہ ہونے کی صورت میں مضاربہ ڈیویڈنڈ وارنٹ (س) روکنے پر مجبور ہوگی۔

اس سلسلے میں جن سرٹیفکیٹ ہولڈرز نے ابھی تک اپنے کارآمد CNIC یا NTN کی کاپیاں جمع نہیں کرائیں، ان سے ایک مرتبہ پھر درخواست ہے کہ وہ یہ کاپیاں مضاربہ کے پاس یا ہمارے شیئر رجسٹرار کے پاس جمع کرا دیں۔

۶۔ ڈیویڈنڈ کا مینڈیٹ

کمپنیز ایکٹ 2017 (دی ایکٹ) کے سیکشن 242 کے مطابق لسٹڈ کمپنی/ادارے کی جانب سے نقد ڈیویڈنڈ کی ادائیگی الیکٹرونک ذریعے سے کرنا لازمی قرار دیا گیا ہے۔ لہذا، اورینٹ رینٹل مضاربہ کے تمام سرٹیفکیٹ ہولڈرز کو ہدایت کی جاتی ہے کہ وہ اپنے متعلقہ

۲۔ سرٹیفیکیٹ ٹرانسفر بک کی بندش

سرٹیفیکیٹ ٹرانسفر بکس مورخہ 19 اکتوبر 2021 تا 26 اکتوبر 2021 (دونوں ایام شامل ہیں) بند رہیں گی۔ اورینٹ رینٹل مضاربہ کے رجسٹرار کے دفتر یعنی میسرزی ڈی سی شیئرز رجسٹرز سروسز پرائیویٹ لمیٹڈ کے صدر دفتر واقع سی ڈی سی ہاؤس، 99-B، بلاک بی، ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی 74400

(ٹیلی فون نمبر: 021-111-111-500، فیکس نمبر 021-34326040) پر 18 اکتوبر 2021 کو کاروباری اوقات کے اختتام سے قبل وصول ہونے والے درست ٹرانسفرز، ٹرانسفریز کو ڈیویڈنڈ کی اہلیت کے مقصد اور سالانہ جائزہ اجلاس میں شرکت کیلئے بروقت تصور ہوں گے۔

۳۔ آڈٹ شدہ مالیاتی اسٹیٹمنٹس کی مضاربہ کی ویب سائٹ پر دستیابی

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ایس آر او نمبر 634 (I)/2014 کے مطابق سال ختم 30 جون 2021 کی سالانہ رپورٹ بھی مضاربہ کی ویب سائٹ پر بھی جاری کر دی جائے گی اور اس کے ساتھ وہی سرٹیفیکیٹ ہولڈرز کو ارسال بھی کر دی جائے گی

۴۔ ڈیویڈنڈ کی رقم پر وہ ہولڈنگ ٹیکس کی کٹوتی

انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت ڈیویڈنڈ کی ادائیگی سے انکم ٹیکس کی کٹوتی درج ذیل کے مطابق کی جائے گی:

(ا) فعال ٹیکس گزاروں کی فہرست میں شامل فرد سے 25%

(ب) فعال ٹیکس گزاروں کی فہرست میں شامل نہ ہونے والے فرد سے 50%

اگر فولیو/سی ڈی ایس اکاؤنٹ مشترکہ ہے تو ہر جوائنٹ ہولڈر کو علیحدہ علیحدہ فعال یا غیر فعال ہونے کے لحاظ سے مجموعی ڈیویڈنڈ سے کٹوتی کی جائے گی جو ہر جوائنٹ ہولڈر سرٹیفیکیٹ کی ہولڈنگ کے تناسب سے ہوگی اگرچہ اس صورت حال میں کہ جب جوائنٹ ہولڈرز (ز) کے پاس موجود سرٹیفیکیٹ کا تناسب ہمارے شیئرز رجسٹرار کے ریکارڈ کے مطابق پہلے سے متعین ہو اور اس طرح ٹیکس کی شرح متعلقہ تناسب سے

اطلاع برائے سالانہ جائزہ اجلاس

بذریعہ ہذا مطلع کیا جاتا ہے کہ اورینٹ رینٹل مضاربہ کے سرٹیفیکیٹ ہولڈرز کا چوتھا سالانہ جائزہ اجلاس مورخہ 26 اکتوبر 2021 کو سہ پہر 3.00 بجے بذریعہ (زوم اپیلی کیشن) مضاربہ کی کارکردگی برائے سال مختتمہ 30 جون 2021 کے جائزے کیلئے منعقد ہوگا۔

بورڈ کی جانب سے

محمد فرخ

کمپنی سیکرٹری

اورینٹ رینٹل مضاربہ

105 اکتوبر 2021، کراچی

1۔ اجلاس میں شرکت

کوویڈ-19 کے باعث موجودہ صورتحال اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ رہنماہدایات کی پیروی میں اورینٹ رینٹل مضاربہ کے سرٹیفیکیٹ ہولڈرز کا سالانہ جائزہ اجلاس سرٹیفیکیٹ ہولڈرز کے یقینی تحفظ اور تندرستی کیلئے بذریعہ زوم اپیلی کیشن منعقد ہوگا۔

اجلاس میں شرکت کے خواہشمند سرٹیفیکیٹ ہولڈرز سے درخواست ہے کہ اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل درج ذیل معلومات company.secretary@orientmodaraba.com پر بھیج کر خود کو رجسٹر کروالیں۔

| سرٹیفیکیٹ ہولڈر کا نام | CNIC | فولیو / CDC کا وٹ نمبر | سیل نمبر | ملکیتی شیئرز کی تعداد | ای میل پتہ |
|------------------------|------|------------------------|----------|-----------------------|------------|
| | | | | | |

صرف ان سرٹیفیکیٹ ہولڈرز کے ساتھ لاگ ان کی سہولت شیئر کی جائے گی جو مطلوبہ کوائف ای میل پر ارسال کریں گے۔

تشکیل نیابت داری

میں اہم _____
 ساکن _____ بحیثیت اور رینٹ ریشٹل مضاربہ _____ کے
 رکن و حامل _____ سرٹیفکیٹ برطانیہ سرٹیفکیٹ رجسٹرڈ فوئیڈ نمبر _____
 اور ایس ای ڈی سی کے شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتا نمبر _____
 محترم / محترمہ _____ ساکن _____
 یا بصورت دیگر محترم / محترمہ _____ ساکن _____

کواپنی جگہ مورخہ 26 اکتوبر 2020 کو مستفید یا ملتوی ہونے والے پہلے سالانہ نظر ثانی اجلاس عام میں رائے و ہدایتی کے لئے اپنا نام کندہ مقرر کرتا کرتی ہوں۔

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

ریونیوٹ چسپاں کریں

دستخط _____

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

(دستخط کہنی میں پہلے سے موجود نمونہ کے مطابق ہونے چاہئے)

نوٹ: پروکسیز کے موثر 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 کو 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

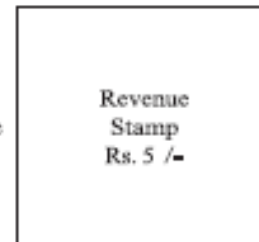
WITNESSES:

- 1 Signature: _____
Name: _____
Address: _____

CNIC / or: _____
Passport No.: _____
- 2 Signature: _____
Name: _____
Address: _____

CNIC / or: _____
Passport No.: _____

Signature



(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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-  Stock trading simulator
(based on live feed from KSE)
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