

# Annual Report | 2021



## Modaraba Al-Mali

Managed by.

**AssetPlex Modaraba Management Ltd.**  
(Formerly BankIslami Modaraba Investments Ltd.)

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### ***Mission Statement***

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The mission statement of the Management Company and Modaraba Al-Mali stems from its commitment to follow the Divine Commandment:

“But Allah hath permitted trade and forbidden usury”

Accordingly, the mandate it has set for itself is to seek investment, raise funds, trade and re-invest in accordance with Islamic principles and continuously endeavor to conduct business in conformity with Sharia to the maximum extent possible in the prevailing secular economic environment, which is not yet fully geared and ready to adopt Islamic financial set-up as a way of life.

### ***Our Vision***

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Our vision is to become vibrant organization of choice for our customers and investors, contribute in the development of national economy, and maximize profitability for sharing halal profits to our certificate holders and partners. The Management Company is committed to continuous, sustainable and impressive growth in the sphere of its activities.

The cornerstone of investment management philosophy is to grow through consortium effort entering into investment and technical collaboration with interested organizations, sharing common objectives, who would like to invest and grow in Pakistan through their skills and equity. This approach is not a sideline at our organization. It is at the heart of our design for growth and in pursuit of excellence.

## CORPORATE INFORMATION

<b>Board of Directors</b>	Mr. Abdul Qadir Memon Mr. Attique Ahmed Khan Mr. Aftab Ahmed Chaudhry Mr. Amir Zia Mr. Hussain Ahmed Ozgen Ms. Huma Ejaz Mr. Usman Hassan	Chairman Director Director / Chief Executive Director Director Director Director
<b>Audit Committee</b>	Ms. Huma Ejaz Mr. Amir Zia Mr. Usman Hassan	Chairman Member Member
<b>HR &amp; Remuneration Committee</b>	Mr. Hussain Ahmed Ozgen Mr. Amir Zia Ms. Huma Ejaz	Chairman Member Member
<b>Risk Committee</b>	Mr. Usman Hassan Mr. Hussain Ahmed Ozgen Ms. Huma Ejaz	Chairman Member Member
<b>Nomination Committee</b>	Mr. Abdul Qadir Memon Mr. Amir Zia Ms. Aftab Ahmed Chaudhry	Chairman Member Member
<b>Management Team</b>	Mr. Aftab Ahmed Chaudhry Mr. Rashid Matin Khan	Chief Executive CFO / Company Secretary
<b>Auditors</b>	A.F. Ferguson & Co. Chartered Accountants	
<b>Legal Advisor &amp; Consultant to the Merger</b>	Bawany & Partners Mohsin Tayebaly & Co.-Advocate & Legal Consultants	
<b>Bankers &amp; Financers</b>	BankIslami Pakistan Limited Bank Al-Falah Limited Duabi Islamic Bank Limited Meezan Bank Limited	
<b>Registrar &amp; Share Registration Office</b>	F.D Registrar Services (Pvt.) Limited Saima Trad Tower A 17th Floor I.I.Chundrigar Road Karachi	
<b>Registered Office</b>	10th Floor, Progressive Square Opposite Nursery, Shahra-e- Faisal, Karachi Phone: 4547521-5 Fax: 4547526 E-mail: info@modarabaalmali.com URL: <a href="http://www.modarabaalmali.com">http://www.modarabaalmali.com</a>	

## CHAIRMAN'S REVIEW REPORT

Dear Certificate-holders,

Generally 2020-2021 was a tough year for the Country. Pak Rupee devaluation, persistently high KIBOR rates, inflationary pressures were remained major areas of concern. Moreover, recent taxation measures is adding problem to Modaraba segment.

**Modaraba** was engaged in the business of Leasing/Ijarah, Murabaha, Musharaka Financing and operations of gas stations. Management of the Modaraba has decided to change the business of the Modaraba as follows:

### **Discontinuation of Existing Businesses:**

1. Discontinuance of lending business (in Ijarah, Murabah, Musharak and any other mode of Financing). Efforts will be made for the recovery of the outstanding balances;
2. Disposal of property/business of Gas Station;
3. Disposal of leasehold offices/premises in Karachi;

### **Modaraba is re-focusing and repositioning into New Businesses:**

1. Launching IPO Support Fund;
2. Re-focusing the business of Modaraba to Venture Capital;
3. Underwriting and Business Revival Activities;
4. Strategic Equity Investments in Financial Services entity;
5. Investment in Chemical Business;

Modaraba is multipurpose for indefinite period is revamping and repositioning itself into emerging fields and will create value to the certificate-holders. Management is determined to cope with challenges and is working on the strategy to revive the Modaraba in diversified areas.

We would like to thank our customers for their trust and also like to thank all our colleagues, management and staffs that are strongly committed to their work as the success of your Modaraba is built around their efforts. We also thank our certificate-holders for their confidence in the Modaraba and assure them that we are committed to do our best to ensure best rewards for their investment in the Modaraba.

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**Mr. Abdul Qadir Memon**

Chairman

September 27, 2021

## چیئر مین کی جائزہ رپورٹ

عام طور پر سال 2020-2021، ملک کے لیے مشکل سال تھا۔ پاک روپے کی قدر میں کمی، مسلسل بلند KIBOR کے نزدیک اور افراط ازرسے متعلق جیسے بڑے مسائل کا سامنا تھا۔ علاوہ ازیں ٹکیں کے حالیہ اقدامات مضاربہ سیکٹر کے مسائل میں اضافہ کر رہا ہے۔ فی الوقت ہمارا مضاربہ لیز گنگ / اجارہ، مرکب، مشارکہ کے کاروبار میں سرمایہ کاری اور گیس اسٹیشن کا آپریشن کر رہا تھا۔ مضاربہ کی انتظامیہ نے فیصلہ کیا ہے کہ مضاربہ کے کاروبار کو درج ذیل طور پر تبدیل کر دیا جائے:

### موجودہ کاروبار کو ترک کر دیا جائے:

1. قرضہ کی فراہمی کے کاروبار کو اجارہ، مرکب، مشارکہ اور دیگر فناستگ کے طریقوں کو ختم کر دیا جائے۔ تقاضات کی وصولی کے لیے کوششیں کی جائیں گی۔
2. گیس اسٹیشن کی پر اپرٹی / کاروبار کی فروخت۔
3. کراچی میں پہہ پر دفاتر / جگہوں کی فروخت۔

### مضاربہ نئے کاروبار پر اپنی توجہ اور مقام کا از سر نو تعمین کر رہا ہے:

1. IPO سپورٹ فنڈ کا اجراء۔
2. مضاربہ کے کاروبار پر بطور وینچر کمپنیز پر دوبارہ توجہ دینا۔
3. مالی حفاظت (underwriting) اور کاروبار کی بھالی کی سرگرمیاں۔
4. مالی خدمات کے اداروں میں تزویری اقی (strategic) میں سرمایہ کاری (equity) میں سرمایہ کاری۔
5. کمیکل کے کاروبار میں سرمایہ کاری۔

آپ کا مضاربہ غیر معمین مدت کے لیے ایک کشیر المقاصد ادارہ ہے اور وہ نئے پیدا ہونے والے موقوں سے عہدہ بر اہونے کے لیے تجدید اور اپنے مقام کا از سر نو جائزہ لے رہا ہے تاکہ اپنے سرٹیکیٹس کنندگان کے لیے قدر پیدا کرے۔ انتظامیہ، مشکلات سے پٹے کے لیے پر عزم ہے اور مضاربہ کی متعدد شعبوں میں بھالی کی حکمت عملی پر کام کر رہی ہے۔

ہم اپنے گاکوں کا ہم پر اعتماد کرنے کا شکریہ ادا کرنا چاہتے ہیں اور اس کے ساتھ اپنے ساتھیوں، انتظامیہ اور عملے کا بھی شکریہ ادا کرنا چاہتے ہیں جو اپنے کام کے مخصوصی کے ساتھ مختص ہیں اور آپ کے مضاربہ کی کامیابی انہی کاوشوں پر تغیری ہوئی ہے۔ ہم اپنے سرٹیکیٹس کنندگان کا ان کے مضاربہ پر اعتماد کرنے کا بھی شکریہ ادا کرتے ہیں اور یقین دلاتے ہیں کہ ہم اپنی بہترین کوششیں کرنے کے لیے پر عزم ہیں تاکہ اپنے مضاربہ میں ان کی سرمایہ کاری پر بہترین انعام کو یقینی بنایا جاسکے۔

جناب عبدالقدار میمین

چیئر مین

# Modaraba Al-Mali

## DIRECTORS' REPORT

On behalf of the Board of Directors of Assetplex Modaraba Investment Limited (formerly BankIslam Modaraba Investments Limited) we are pleased to present 36th Annual report of Modaraba Al-Mali together with audited accounts for the year ended June 30, 2021.

### Financial Performance

	2021 Rupees	2020 Rupees
Revenue	47,891,885	25,979,587
Expenses	(14,106,048)	(7,372,563)
Net Profit	33,785,837	18,607,024
Transferred to Statutory Reserves	(6,757,167)	(3,721,405)
Other Comprehensive Income	(6,928)	(199,202)
EPS (Rs. per Certificate)	1.83	1.01

Under the provision of Modaraba Ordinance, 1980, the management Modaraba is entitled to a fee up to 10% of the profit of Modaraba. However, the Board of Directors has decided to waive the management fee for the year.

PSX Trading Symbol : MODAM  
Market Price : Rs. 23.05 per Certificate as on September 13, 2021  
Trading Status : Actively Traded

### Transferred to Statutory Reserves

As per the Prudential Regulations issued by Securities & Exchange Commission of Pakistan (SECP), Modaraba is required to transfer a minimum 20% and maximum 50% post-tax profit to statutory reserve. The Board of Directors has appropriated 20% towards the statutory reserve.

### Declaration of Dividend

Modaraba has planned Right Issue to finance new business ventures. Investment decisions derives financing decisions. Thus, Management has decided to look into the matter further and may call upon interim meeting to declare dividend or any other entitlement, if any.

### Future Outlook

Modaraba is currently engaged in the business of Leasing/Ijarah, Murabaha, Musharaka Financing and operations of gas stations. Management of the Modaraba has decided to change the business of the Modaraba as follows:

#### Discontinuance of Existing Businesses:

1. Discontinuance of lending business (in Ijarah, Murabah, Musharak and any other mode of Financing). Efforts will be made for the recovery of the outstanding balances;
2. Disposal of property/business of Gas Station;
3. Disposal of leasehold offices/premises in Karachi;

#### Repositioning into New Businesses:

1. Launching IPO Support Fund;
2. Re-focusing the business of Modaraba to Venture Capital;

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3. Underwriting and Business Revival Activities;
4. Strategic Equity Investments in Financial Services entity;
5. Investment in Chemical Business;

Modaraba is repositioning itself into manufacturing (chemical business), services (underwriting, financial consultancy, and financial services), venture capital and technology businesses. These investment will either be taken directly in the Modaraba or as a strategic equity investments in other legal entities, provided they are Shariah compliant. Modaraba shall also seek collaboration and technical partners, if required, to implement its repositioning/diversification stratagem.

Board of Directors of Modaraba has announced 331% Right Issue (subject to the approval of Registrar Modaraba) in their Meeting held on September 13, 2021.

**1. Modaraba will raise funds through right issue as follows:**

Certificates Outstanding	Nos.	15,754,800
Right Issue	%	331%
Right Price	Rs./Share	10.00
Shares to be Issue against Right	Nos.	61,000,000
Right Proceeds	Rs.	610,000,000

**2. Utilization of Proceeds will be as follows:**

Utilization of Proceeds		
Chemical Business	Rs.	500,000,000
IPO Support Fund	Rs.	100,000,000
Underwriting and Business Revival Activities	Rs.	100,000,000
Working Capital/ Internal Generation	Rs.	(90,000,000)
		610,000,000

### Code of Corporate Governance & Allied Matters

#### Auditors

The present auditors, M/s A. F. Fergusons & Co. Chartered Accountants has completed five years term and is not eligible for reappointment. The Audit Committee of your Modaraba is in process of evaluating different Audit firms and once it is recommended by them (and approved by the Registrar Modaraba, SECP), Board of Directors shall appoint the Auditors and inform the Stock Exchange and complete the corporate formalities forthwith.

#### Code of Corporate Governance

The requirements of the Code of Corporate Governance, as introduced by the Securities and Exchange Commission of Pakistan (and set out by the Pakistan Stock Exchange Limited in its Listing Rules), have been duly complied with. A statement to this effect is annexed with the report.

#### Compliance with Code of Corporate Governance

In compliance with the Code, the Board of Directors of your Modaraba states that:

- The financial statements, prepared by the management of your Modaraba, fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained by your Modaraba.
- Appropriate accounting policies are consistently applied by your Modaraba in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of these financial statements and any departure there from, if any, has been adequately disclosed.

## Modaraba Al-Mali

- The system of Internal Control, being implemented in your Modaraba is sound and has been effectively persisted throughout the year.
- Keeping in view the financial position of your Modaraba, we do not have any significant doubt upon its continuance as a going concern.
- There also has not been any material departure from the best practices of corporate governance, as detailed in the listing regulations, during the year under review.

### Meetings of the Board of Directors

During the year, the Board of Directors of your Modaraba has met Five times and the attendance at each of these meetings is as follows:

		15-Sep-2020	28-Oct-2020	19-Feb-2021	28-Apr-2021	01-Jun-2021	Attendance
Mr.	Sohail Sikandar	P	P	P	P		4/4
Mr.	Muhammad Hamid	P	P	P	P		4/4
Ms.	Ayesha Ashraf Jangda	P	P	P	P		4/4
Mr.	Khurram Jamil	P	P	P	P		4/4
Mr.	Kashif Nisar	P	P	P	P		4/4
Mr.	Muhammad Haris Munawar	P	P	P	P		4/4
Mr.	Rizwan Qamar Lari	P	P	P	P		4/4
Mr.	Mohammad Sadiq Sheikh	P	P	P	P		4/4
Mr.	Abdul Qadir Memon					P	1/1
Mr.	Aftab Ahmad Chaudhry					P	1/1
Mr.	Amir Zia					P	1/1
Mr.	Atique Ahmed Khan					P	1/1
Ms.	Huma Ejaz					P	1/1
Mr.	Hussain Ahmed Ozgen					P	1/1
Mr.	Usman Hassan					A	0/1
Previous Management		8/8	8/8	8/8	8/8	0/0	
New Management		0/0	0/0	0/0	0/0	6/7	
P	= Present						
A	= Leave of Absence						

### Audit Committee

The Board of Directors of the Modaraba has established an Audit Committee (for FY 2020-2021) comprising of five members, in compliance with the Revised Code of Corporate Governance 2017 (CCG). Whom five are Non-Executive Directors including Chairman of the Committee. During the year June 30, 2021, the Committee met **four** times. The Meetings of the Audit Committee were held at least once every quarter prior approval of the interim and final results of the Modaraba as required by CCG. The attendance of the Board Members was as follows:

			15-Sep-2020	28-Oct-2020	19-Feb-2021	28-Apr-2021	Attendance
Mr.	Muhammad Hamid	Chairman	P	P	P	P	4/4
Mr.	Sohail Sikandar	Member	P	P	P	P	4/4
Mr.	Kashif Nisar	Member	P	P	P	P	4/4
Mr.	Khurram Jamil	Member	P	P	P	P	4/4
Mr.	Rizwan Qamar Lari	Member	P	P	P	P	4/4
			5/5	5/5	5/5	5/5	
P	= Present						
A	= Leave of Absence						

Chief Financial Officer, Secretary of Audit Committee (Head of Internal Audit) were also attended all meetings during the year under review. The Committee also met the External Auditors separately in the absence of Chief Financial Officer and Head of Internal Audit to get their feedback on the overall

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control and Governance structure within the Modaraba.

## Pattern of Shareholding

The pattern of shareholding of your Modaraba as on June 30, 2021 is annexed with this report. This statement is in accordance with the amendments made through the Code.

## Free Float of Shares

**Shares Outstanding** 18,423,945

Less :

Certificates held by Modaraba Company	(2,342,490)
Physical Certificates	(1,733,302)
	<hr/>
	14,348,153

## Financial Reporting

The Committee reviewed, discussed and recommended for Board approval, the draft Interim and Annual Results of the Modaraba. The Committee discussed with the CFO, HIA and External Auditors of the Modaraba on significant accounting policies, estimates and judgments applied in preparing the financial information.

## Risk Management Policy

The Board plays a key role in risk management principally through the Risk Management Committee. Programs have been established to consider and manage operational, strategic, technological, scientific, reputation, environmental health and safety and other risks to the Modaraba's businesses.

These are reviewed with the committees on a regular basis.

All operational units incorporate Risk Management into their planning process:

- To minimize risk within the Modaraba
- To ensure Risk Management is incorporated into the corporate governance systems and management structure of the Modaraba
- To ensure that significant Risks within the Modaraba are identified and appropriate strategies are in place to manage them
- To develop effective and efficient Risk Management procedures

## Strategic Planning

It is Modaraba's mainstay policy to position itself strategically in order to achieve its vision of being recognized as a world-class service providers/ manufacturer of top quality products and to deliver value to its consumer and stakeholders; and

1. To ensure that decisions about strategic positioning are made within the context of a comprehensive and shared understanding of the External/Internal environment.
2. To identify and consider opportunities for the Modaraba to consolidate and strengthen its position.
3. To establish productive and mutually-beneficial partnerships to develop a sustainable competitive advantage.
4. To ensure that the Modaraba has strong and effectively aligned planning and budget processes, incorporating review and continuous improvement mechanisms.

## Human Resources

The Modaraba is committed to equal opportunity employment. It accepts the obligation as a member of the community-at large and as an employer to exercise an active and positive program of non-

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discrimination in all areas of employment.

Employment decisions are made by providing equal opportunity and access on the basis of qualification and merits. Moreover, the Modaraba shall ensure that fair, consistent, effective and efficient recruitment and selection practices exist in hiring the most suitable candidates.

Your Modaraba has recomposed the HR & Remuneration Committee (Compensation Committee).

1	Mr. Hussain Ahmed Ozgen	Chairman
2	Mr. Amir Zia	Member
3	Ms. Huma Ejaz	Member

During the year, the HR & Remuneration Committee of your Modaraba has met **One** time on May 25, 2021.

Terms of Reference of the Human Resource & Remuneration Committee:

The Committee shall be responsible for making recommendations to the Board for maintaining:

1. A sound plan of organization for the Modaraba.
2. An effective employees' development programme.
3. Sound compensation and benefits plans, policies and practices designed to attract and retain the caliber of personnel needed to manage the business effectively.
4. Evaluate and recommend for approval of changes in the organization, functions and relationships affecting management positions equivalent in importance to those on the management position schedule.
5. Determine appropriate limits of authority and approval procedures for personnel matters requiring decisions at different levels of management.
6. Review the employees' development system to ensure that it:
  - a. Foresees the Modaraba's senior management requirements.
  - b. Provides for early identification and development of key personnel.
  - c. Brings forward specific succession plans for senior management positions.
  - d. Training and development plans.
7. Compensation and Benefits:
  - a. recommending human resource management policies to the board;
  - b. recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;
  - c. recommending to the Board the selection, evaluation, compensation (including retirement benefits) of COO, CFO, Modaraba Secretary and Head of Internal Audit; and senior management reporting to CEO.

## Acknowledgements

We wish to place on record gratitude to our valued customers for their confidence in our services and we pledge ourselves to provide them the best quality by continuously improving our services. We would also like to thank all our colleagues, management and other staff who are strongly committed to their work as the success of your Modaraba is built around their efforts. We also thank our certificate-holders for their confidence in the Modaraba and assure them that we are committed to do our best to ensure best rewards for their investment in the Modaraba.

**Aftab Ahamed Chaudhary**  
Chief Executive Director

Dated: September 27, 2021  
Karachi

## ڈائریکٹر کی رپورٹ

30 جون 2021 کو اختتام پذیر سال ہم، اسیٹ پلیکس مداربہ انویسٹمنٹ لمبیڈ (سابقہ بینک اسلامی مداربہ انویسٹمنٹ لمبیڈ) کی جانب سے مداربہ المالی کی 36 ویں سالانہ رپورٹ بمع مختصہ شدہ کاوش پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

آپ کا مداربہ غیر معین مدت کے لیے ایک کشیر المقادیر ادارہ ہے اور وہ نئے پیدا ہونے کے لیے تجدید اور اپنے مقام کا از سرنو جائزہ لے رہا ہے اور سرٹیکیٹس لندگان کے لیے قدر پیدا کر سکتا ہے۔

### مالیاتی کارکردگی

2020	2021	
روپے	روپے	
25,979,587	47,891,885	مالگزاری
(7,372,563)	(14,106,048)	اخراجات
18,607,024	33,785,837	خاص منافع
(3,721,405)	(6,757,167)	دستوری ذخائر میں منتقلی
(199,202)	(6,928)	دگد جامع آمدن
1.01	1.83	آمدنی فی سرٹیکیٹ (روپے)

مداربہ آرڈیننس، 1980 کے تحت، مداربہ کی انتظامیہ مداربہ کے منافع 10 فیصد تک بطور فیس لینے کا حقدار ہے۔ تاہم بورڈ آف ڈائریکٹر نے فیصلہ کیا ہے کہ اس سال میجنٹ فیس نہیں لے لے گی۔

MODAM تجارت کی علامت : PSX

منڈی میں قیمت : 27 ستمبر 2021 پر 25 روپے فی سرٹیکیٹ

تجارتی حیثیت : فعال لین دین

### دستوری ذخائر میں منتقل کردہ

سیکورٹی اینڈ ایچ پیچ کیشن آف پاکستان (SECP) کے اجراء کردہ پروڈینشل ریگولیشن کے تحت مداربہ اس بات کا پابند ہے کہ وہ اپنے بعد از گیس منافع کا، کم از کم 20 فیصد یا زیادہ سے زیادہ 50 فیصد، دستوری ذخائر میں منتقل کرے۔ بورڈ آف ڈائریکٹر نے منافع کا 20 فیصد دستوری ذخائر کے لیے مختص کر دیا ہے۔

### منقسمہ منافع دینے کا اعلان

مداربہ نے کاروبار شروع کرنے میں سرماہی کاری کرنے کے لیے رائٹ اشو کے اجراء کا منصوبہ بنانے کا ہے۔ اس لیے انتظامیہ نے فیصلہ کیا ہے کہ منقسمہ منافع یادگیر مالی حق ادا کرنے کے معاملے پر غور کرنے کے لیے درمیانی مدت کا ایک اجلاس بلا یا جائے۔

## مستقبل کا منظر نامہ

فی الوقت ہمارا مضاربہ لیرنسگ/اجارہ، مرا بحہ، مشارکہ کے کاروبار میں سرمایہ کاری اور گیس اسٹیشن کا آپریشن کر رہا تھا۔ مضاربہ کی کمی انتظامیہ نے فیصلہ کیا ہے کہ مضاربہ کے کاروبار کو درج ذیل طور پر تبدیل کر دیا جائے: موجودہ کاروبار کو ترک کر دیا جائے:

- ۱۔ قرضہ کی فراہمی کے کاروبار کو اجارہ، مرا بحہ، مشارکہ اور دیگر فناںگ کے طریقوں کو ختم کر دیا جائے۔ بقایا جات کی وصولی کے لیے کوششیں کی جائیں گی۔
- ۲۔ گیس اسٹیشن کی پر اپریٹی/کاروبار کی فروخت۔
- ۳۔ کراچی میں پہ پروفاتر/جگہوں کی فروخت۔

## نئے کاروبار کے مقام کا از سر نو تھیں کرنا:

- ۱۔ IPO پسپورٹ فنڈ کا اجراء۔
- ۲۔ مضاربہ کے کاروبار پر بطور ویپر کمپیٹل پر دوبارہ تجدید بنا۔
- ۳۔ مالی خانات (underwriting) اور کاروبار کی بحالی کی سرگرمیاں۔
- ۴۔ مالیاتی خدمات کے اداروں میں تزویریاتی (strategic) ملکیتی سرمایہ (equity) میں سرمایہ کاری۔
- ۵۔ کمیکل کے کاروبار میں سرمایہ کاری۔

آپ کا مضاربہ، مشینی پیداوار (کمیکل کا کاروبار)، خدمات (مالی خانات، مالیاتی مشاورت اور مالیاتی خدمات) و پیچر کمپیٹل اور نیتاں لوجی کے کاروبار میں اپنے مقام کا از سر نو تھیں کر رہا ہے۔ ایکی سرمایہ کاری کا عمل یا توبہ راست مضاربہ میں کیا جائے گا یا تزویریاتی ملکیتی سرمایہ کی صورت میں اداروں میں سرمایہ کاری کی جائے گی بشرطیہ وہ شریعہ کا تعلیم کرتے ہوں۔ مضاربہ، اگر ضروری ہو تو اشتراک اور تکمیلی شرکت دار تلاش کرے گا تاکہ وہ مقام کا از سر نو تھیں/تنوع کی محکت عملی کا نفاذ کیا جاسکے۔

مضاربہ کے بورڈ آف ڈائریکٹرز نے اپنی 13 ستمبر 2021 کو منعقد ہونے والے اجلاس میں 331 فیصد رائٹ اشو (Right Issue) کا اعلان کیا ہے (جو مضاربہ کے جسٹار کی منظوری سے مشروط ہے)

### مضاربہ رائٹ اشو کے ذریعے فنڈز میں اس طرح سے اضافہ کرے گا:

رائٹ سرٹیفیکیٹ	تعداد	فیصد	رائٹ کی قیمت	رائٹ کے عوض شیئرز (سرٹیفیکیٹس) کا اجراء	رائٹ سے حاصل رقم
15,754,800					
311					
10					
61,000,000					
610,000,000					

حاصل رقم کا استعمال درج ذیل ہوگا:

500,000,000	روپے	کمیکل کاروبار
100,000,000	روپے	IPO سپورٹ فنڈ
100,000,000	روپے	مالی خاتم اور کاروبار کی بجائی کی سرگرمیاں
(90,000,000)		ورکنگ کمپنیل/اندرونی ذرائع سے حاصل رقم روپے
610,000,000		

## اداراتی نظم و ضبط کا ضابطہ اور متعلقہ معاملات

### آڈیٹریز

موجودہ آڈیٹریز میسرز: اے۔ ایف فرگون اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کامعاہدہ کی مدت ختم ہو رہی ہے لیکن وہ دوبارہ مععاہدہ کرنے کے اہل نہیں ہیں۔ آپ کے مضاربہ کی آڈیٹ کمپنی نے مختلف آڈیٹ کمپنیوں کا جائزہ لے رہی ہے اور جیسے ہی وہ کوئی نام تجویز کرتے ہیں (اور اس کی منظوری رجسٹر ارمضار پر اور SECP سے ہو جاتی ہے) تو بورڈ آف ڈائریکٹرز ان کو منتخب کر لیں گے اور ضابطہ کی کاروائیاں مکمل کرنے کے بعد اس کا ایچپینچ کو مطلع کر دیں گے۔

### اداراتی نظم و ضبط کا ضابطہ

سیکیورٹیز بیڈا یا چیجن کیشن آف پاکستان کی معارف کردہ اداراتی نظم و ضبط کے ضابطے (جس کا آغاز پاکستان اسٹاک ایچپینچ اپے لسٹنگ روویز میں کیا) کی پوری طرح تعمیل کی گئی ہے۔ اس سلسلے میں رپورٹ میں ایک بیان فسلک کیا گیا ہے۔

### اداراتی نظم و ضبط کی تعمیل

ضابطے کی تعمیل کے سلسلے میں آپ کے مضاربہ کے بورڈ آف ڈائریکٹرز بیان کرتے ہیں کہ:

- انتظامیہ کی تیار کردہ مالیاتی دستاویزات اس کے آپریشن کے نتائج کیش فلو اور ملکیتی سرمایہ (equity) میں تبدیلی کی مناسب صورتحال پیش کرتی ہیں۔
- آپ کے مضاربہ نے مناسب طور پر اکاؤنٹس کی کتابوں کو رکھا ہے۔
- آپ کے مضاربہ نے مالیاتی دستاویزات کی تیاری میں مناسب اکاؤنٹ پالیسیوں کو تسلیم سے نافذ کیا گیا ہے اور اکاؤنٹ کے تینیوں کی نیا مناسب اور تھات اندازے ہیں۔

یہن الاقوامی فنڈل روپرینگ اسٹیبلریڈر، جو پاکستان میں مضاربہ پر لاگو ہوتے ہیں، ان پر مالیاتی دستاویز کی تیاری میں ان پر عملدرآمد کیا گیا اور اس سے انحراف کو مناسب طور سے ظاہر کیا گیا ہے اور وضاحت کی گئی ہے:

- آپ کے مضاربہ کا اندرونی نگرانی کا نظام مستحکم ہے اور اس کو موثر طور پر نافذ کیا جا رہا ہے اور وہ پورے سال موثر طور قابل عمل رہا۔
- آپ کے مضاربہ کی مالی صورتحال کو سامنے رکھتے ہوئے مضاربہ کے جاری رہنے والے ادارے کے طور پر اس کی صلاحیت پر خاص شبہات نہیں ہیں۔
- زیر جائزہ سال کے دوران اداراتی نظم و ضبط، جس کی تفصیلات لسٹنگ ضوابط میں درج ہیں، کی بہترین مشتویوں سے انحراف نہیں کیا گیا۔

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران آپ کے مختار بہ کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس ہوئے اور ہر اجلاس میں حاضری کی تفصیلات درج ذیل ہیں۔

2021				2020		
حاضری	1 جون	28 اپریل	19 فروری	28 اکتوبر	15 ستمبر	
4/4		P	P	P	P	جناب سید مسعود
4/4		P	P	P	P	جناب محمد حامد
4/4		P	P	P	P	مس عائشہ اشرف جاندرا
4/4		P	P	P	P	جناب خرم جیل
4/4		P	P	P	P	جناب کاشف ثار
4/4		P	P	P	P	جناب محمد حارث منور
4/4		P	P	P	P	جناب رضوان قمر لاری
4/4		P	P	P	P	جناب محمد صادق شیخ
1/1	P					جناب عبدالقدار میمن
1/1	P					جناب آفتاب احمد چودھری
1/1	P					جناب عامر ضیاء
1/1	P					جناب تیقیق احمد خان
1/1	P					مس ہما عباز
1/1	P					جناب حسین احمد احمد
0/1	A					جناب عثمان حسن
	0/0	8/8	8/8	8/8	8/8	سائیکل ایکٹامیہ
	6/7	0/0	0/0	0/0	0/0	نئی انتظامیہ
				حاضر		P
				غیر حاضری کی رخصت		A

آٹھ کمیٹی

ترمیم شدہ اداری نظم و ضبط کے ضابط 2017 (CCG) کی تغییل کرتے ہوئے، مختار بہ کے بورڈ آف ڈائریکٹرز نے ایک آٹھ کمیٹی (براے سال 2020-2021) تشكیل دی ہے جو پانچ ارکان پر مشتمل ہے۔ یہ تمام ارکان مشمول چیزیں میں نان ایک بیوی ٹیوڈ ڈائریکٹرز ہیں۔ 30 جون 2021 کو اختتام پذیر سال

تین کمیٹی کے چار اجلاس ہوئے۔ CCG کے مطابق، مداربہ کے درمیانی مدت اور حقیقتی مدت کی منظوری کے لیے، آٹھ کمیٹی ہر سہ ماہی میں کم از کم ایک مرتبہ تھی ہے۔ بورڈ کی آٹھ کمیٹی میں ارکان کی حاضری کی تفصیلات درج ذیل ہیں۔

حاضری	28 اپریل 2021	19 فوری 2020	28 اکتوبر 2020	15 نومبر 2020	چیئرمین	جناب محمد حامد
4/4	P	P	P	P	رکن	جناب سہیل سعیدر
4/4	P	P	P	P	رکن	جناب کاشف شاہ
4/4	P	P	P	P	رکن	جناب خرم جیل
4/4	P	P	P	P	رکن	جناب رضوان قمر لاری
	5/5	5/5	5/5	5/5	حاضر	P
					غیر حاضری کی رخصت	A

زیر جائزہ سال کے دوران، چیف فناشل آفیسر، آٹھ کمیٹی کے سیکریٹری (سر برہا اندر ونی آٹھ) نے بھی تمام اجلاس میں شرکت کیں۔ کمیٹی نے، چیف فناشل آفیسر اور سر برہا اندر ونی آٹھ کی غیر موجودگی میں بیرونی آڈیٹر سے علیحدہ سے ملاقات میں، ان کی مداربہ کی مجموعی کنٹرول اور نظم و ضبط کے ڈھانچے کی صورتحال ہر ان کی پیشہ و رانی رائے لی۔

### شیئر رکھنے کا رجحان

30 جون 2021 پر مداربہ کے شیئر رکھنے کا رجحان اس رپورٹ کے ساتھ منسلک ہے۔ یہ بیان ضابطے کے ذریعہ ترمیم کے مطابق ہے۔

### حصہ کی فری فلوٹ

باقی حصہ	نفی:
<b>18,423,945</b>	
(2,342,490)	مداربہ کمپنی کے پاس ٹیکنیکل پیشکش
(1,733,302)	مادی (Physical) سرٹیکیٹس
<b>14,348,153</b>	

### مالیاتی رپورٹ

کمیٹی نے مداربہ کے درمیانی مدت اور سالانہ میانگ کے مسودوں کا جائزہ لیا، بحث و مباحثہ کیا اور بورڈ کے منظوری کے لیے پیش کیا۔ کمیٹی نے مداربہ کے چیف فناشل آفیسر، سر برہا اندر ونی آٹھ اور بیرونی آڈیٹر کے ساتھ مداربہ کی مالیاتی معلومات کی تیاری میں اہم اکاؤنٹنگ پالیسیوں، تھیںیوں اور رائے کا استعمال کیا تھا اس کے بارے میں گفتگو کی۔

### رسک میجنٹ کی پالیسی

بورڈ اصولی طور پر رسک میجنٹ کمیٹی کے ذریعے سے رسک میجنٹ میں بنیادی کردار ادا کرتا ہے۔ مضاربہ کے کاروباروں پر غور و خصوص اور اپریشنل، تزویریاتی، ہائیکیل، سانیفیک، شہرت، ماحلیاتی صحت اور تحفظ اور دیگر رسک کے انتظام کے لیے پروگرام تشكیل پاچھے ہیں۔ کمیٹی ان کاوقی و فنی سے جائزہ لیتی ہے۔

تمام آپریشنل اکائیاں اپنے منصوبہ بندی کے پاس میں رسک میجنٹ کو شامل کرتی ہیں۔  
• مضاربہ میں رسک کوکم سے کمیا جائے۔

- اس بات کو قینی بنایا جائے کہ رسک میجنٹ کا مضاربہ کے اداراتینظم و ضبط کے نظام اور اس کے انتظامی ڈھانچے میں شامل ہو۔
- اس بات کی قینی بنایا جائے کہ مضاربہ میں اہم رسک کی شناخت ہو اور ان کا انتظام کرنے کے لیے مناسب حکمت عملی موجود ہو۔
- رسک میجنٹ کے موثر اور کارکردگی دکھانے والے طریقہ کاری تیار ہوں۔

### حکمت عملی کی منصوبہ بندی

یہ مضاربہ کی بنیادی پالیسی ہے کہ وہ حکمت عملی پر ایسے مقام پر ہو کہ وہ اپنے ویژن کے حصول کا اس کی شناخت عالمی معیار کی خدمت فراہم ہر کنے والے/ اعلیٰ معیار کی مصنوعات کا بنانے والے اور اپنے گاہوں اور شرکاء مفاد (stakeholders) کے لیے قدر فراہم کریں؛ اور

۱۔ قینی بنایا جائے کہ تزویریاتی مقام کے بارے میں فیصلے اندرونی / یہ ورنی ماحول کی جامع اور مشترکہ سوچ بوجھ کے حوالے سے کئے جائیں۔  
۲۔ مضاربہ کے مقام کے اضفای اور استحکام کے لیے موقوں کی شناخت اور ان پر غور کیا جائے۔

- ۳۔ مسلسل جاری رہنے والے مسابقی فائدے کی تیاری کے لیے نتائج دیئے والے اور باہمی فاونڈہ منڈل شرکت داری تشكیل دینا۔
- ۴۔ اس بات کو قینی بنایا جائے کہ مضاربہ کے پاس مضبوط اور موثر ہم آہنگ منصوبہ بندی اور بجٹ کا پاس ہے جو جائزے کو شامل کرتا ہے اور جاری بہتری کے مکملہ مز۔

### انسانی وسائل

مضاربہ روزگار کے مساوی موقع فراہم کرنے کے لیے پر عزم ہے۔ یہ بطور سماج کی رکن کے اپنے زیادہ تر فرائض کو قبول کرتا ہے اور بطور آجر تمام شعبہ جات میں، ملازمت کے بلا امتیاز غوال اور ثابت پروگرام کو استعمال کرتا ہے۔

روزگار سے متعلق فیصلے تھام اور اہلیت کی بنیاد پر کیتے جاتے ہیں تاکہ مساوی موقع فراہم کر کے اور ملازمت تک رسائی کو ممکن بنایا جائے۔ علاوہ ازیں، مضاربہ اس بات کو قینی بنائے گا کہ مناسب ترین امیدواروں کے انتخاب کے لیے منصہا، یکساں، موثر اور کارگر بھرتی اور انتخاب کا طریقہ کاری موجود ہو۔ آپ کے مضاربہ انسانی وسائل اور مشاہرہ کمیٹی (تالانی کمیٹی) کی تشكیل نوکر کچا ہے۔

- ۱۔ جناب حسین احمد احمد چیری میں رکن
- ۲۔ جناب عامر نسیاء رکن
- ۳۔ محترمہ بہاء العابز رکن

سال کے دوران آپ کے مضاربہ کی انسانی وسائل اور مشاہرہ کمیٹی نے 25 مئی 2021 کو ایک اجلاس میں شرکت کی۔

- انسانی وسائل اور مشاہرہ کمیٹی کے شرائط وضوابط کمیٹی بورڈ کو تجوید دینے کی ذمہ دار ہو گی کہ وہ؛
- ۱۔ مضارب کے لیے ایک مضبوط ادارے کا منصوبہ تیار کرے۔
  - ۲۔ ملازمین کی ارتقا کا ایک موثر پروگرام تیار کرے۔
  - ۳۔ مضارب کے کارو بار کو چلانے کے لیے ضروری ابیت کے حامل عملے کے لیے مضبوط تلافی اور فوائد کا منصوبہ، پالیسی، اور عملی مشقیں بنائیں جو بالصلاحیت کو متاثر کریں اور ان کو ادارے میں روکے رکھیں۔
  - ۴۔ ادارے نئکشنز اور اہمیت میں مساوی انتظامی عہدوں کے تعلقات جو انہیں متاثر کرتے ہیں ان میں تبدیلی کے امکانات کا تجھیں لگائیں اور منظوری کے لیے تجویز کریں۔
  - ۵۔ ادارے کے عملے کے معاملات کے بارے میں انتظامیہ کی مختلف سطحوں پر فیصلہ سازی کی منظوری کا طریقہ کار اور ان کے اختیار کی مناسب حدود کا تینیں کرنا۔
  - ۶۔ ملازمین کی ارتقا کے نظام کا جائزہ لینا اور اس بات کو تینی بنایا جائے کہ؛
  - ۷۔ ملازمین کی ارتقا کے نظام کا جائزہ لینا اور اس بات کو تینی بنایا جائے کہ؛
  - ۸۔ وہ مضارب کی اعلیٰ انتظامیہ کی ضروریات کی پیش میں کریں۔
  - ۹۔ اہم عملے کی پیشگی شناخت اور اس کی ارتقا کے اسباب فراہم کرنا۔
  - ۱۰۔ انتظامی اعلیٰ عہدوں کے لیے مخصوص جائشی کے منصوبہ تیار کر کے آگے بڑھانا۔
  - ۱۱۔ تربیت اور ارتقا کے منصوبے۔
  - ۱۲۔ تلافی اور فوائد
  - ۱۳۔ انسانی وسائل کی میکنٹ پالیسیوں کو بورڈ کو تجویز کرنا۔
  - ۱۴۔ CEO کے انتخاب، تجھیں، تلافی (بیشول ریئارمنٹ کے فوائد) اور جائشی منصوبہ کی بورڈ کو تجوید دینا۔
  - ۱۵۔ COO، CFO، مضارب بیکری ہری اور سربراہ اندر وہی آٹھ اور سینئر عہدے دار جو براہ راست کو CEO کو پورٹ کرتے ہیں ان کے انتخاب، تجھیں، تلافی (بیشول ریئارمنٹ کے فوائد) اور جائشی منصوبہ کی بورڈ کو تجوید دینا۔

### ستائش

ہم اپنے مقدم گا کہوں کا ہماری خدمات پر اعتماد ان سے احساس منو ہنت کو رکارڈ پر لانا چاہتے ہیں اور ہم ان سے عہد کرتے ہیں کہ ہم ان کو مسلسل بہتر ہوتی ہوئی اعلیٰ معیار کی خدمات فراہم کرتے رہیں گے۔ ہم اپنے ساتھیوں، انتظامیہ اور دیگر عملے کا بھی شکریہ ادا کرنا چاہتے ہیں جو اپنے کام سے مخلص ہیں اور ان کی کوششوں سے آپ کے مضارب کی کامیابی ممکن ہوئی۔ ہم اپنے سرٹیفیکیٹ کنڈگان کا بھی مضاربہ پر اعتماد کرنے پر شکریہ ادا کرنا چاہتے ہیں اور ان کو لیقین دلاتے ہیں کہ ہم اس بات پر عزم ہیں کہ ان کی مضاربہ میں سرمایہ کاری پر بہترین انعام دلائیں۔

آفتاب احمد چودھری

چیف ایگزیکیوٹو ایمز کیمپر

پتارن: 27 ستمبر 2021

کراچی

# Modaraba Al-Mali

## KEY OPERATING DATA

### Financial Highlights

#### Balance Sheet

Year Ended June 30,	(Rupees in Million)						
	2015	2016	2017	2018	2019	2020	2021
<b>Equity</b>							
Issued, subscribed and paid-up certificate capital	184.24	184.24	184.24	184.24	184.24	184.24	184.24
Statutory Reserves	57.01	58.45	59.75	62.07	63.16	66.88	73.64
Other Reserves	(82.48)	(83.15)	(81.62)	(77.84)	(14.10)	(2.37)	11.76
	158.77	159.54	162.37	168.47	233.30	248.75	269.64
<b>Liabilities</b>							
Murabah & Musharikah		12.36	-	-	-	-	-
Customer Security Deposits	12.17	19.11	18.30	10.56	10.40	7.94	3.88
Other Liabilities	34.77	28.32	15.61	16.57	17.36	15.61	15.87
	46.94	59.79	33.91	27.13	27.76	23.55	19.75
<b>Liabilities &amp; Equity</b>	205.71	219.33	196.28	195.60	261.06	272.30	289.39
<b>Assets</b>							
Assets in Own Use	73.56	72.33	71.43	70.26	69.33	68.79	68.28
Assets Leased Out	82.18	102.17	53.11	13.89	6.70	4.06	-
Other Long Term Assets	-	-	-	-	81.83	76.45	96.95
Other Current Assets	37.69	38.90	52.15	64.28	54.02	58.52	70.81
Cash & bank	12.28	5.93	19.59	47.17	49.18	64.48	53.35
<b>Total Assets</b>	205.71	219.33	196.28	195.60	261.06	272.30	289.39

#### Profit & Loss Account

Lease Income / Musharikah & Morabaha Income	26.40	47.33	46.58	35.86	8.50	0.14	-
Other Income	13.54	14.85	13.95	21.79	23.90	24.35	23.37
Capital Gain	-	-	-	-	3.71	1.49	24.53
<b>Total Income</b>	39.94	62.18	60.53	57.65	36.11	25.98	47.89
Operating Expenses	22.52	18.30	14.78	15.82	13.48	13.36	12.61
Other Expenses	12.25	38.62	38.49	29.13	13.85	(6.67)	0.70
Taxation	0.46	0.58	0.74	1.11	0.82	0.68	0.80
<b>Net Profit</b>	4.71	4.68	6.52	11.59	7.96	18.61	33.79

Certificate Outstanding	Nos.	18,423,945	18,423,945	18,423,945	18,423,945	18,423,945	18,423,945	18,423,945
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#### Analysis

EPS	Rs./ Certificate	0.26	0.25	0.35	0.63	0.43	1.01	1.83
Book Value	Rs./ Certificate	8.62	8.66	8.81	9.14	12.66	13.50	14.64
Debt-Equity Ratio	Times	0.30	0.37	0.21	0.16	0.12	0.09	0.07
Return on Equity	%	2.97%	2.93%	4.02%	6.88%	3.41%	7.48%	12.53%
Dividend Paid	Rs. in million	3.68	3.68	3.68	5.15	9.21	2.94	12.90
Transferred to Statutory Reserves	Rs. in million	0.94	0.93	1.30	2.32	1.59	3.72	6.76
Dividend Paid	Rs./ Certificate	0.20	0.20	0.20	0.28	0.50	0.16	0.70

#### Financial Performance

	2021		2020	
	Rupees	Rupees	Rupees	Rupees
Revenue	47,891,885	25,979,587		
Expenses	(14,106,048)	(7,372,563)		
Net Profit	33,785,837	18,607,024		
Transferred to Statutory Reserves	(6,757,167)	(3,721,405)		
Other Comprehensive Income	(6,928)	(199,202)		
EPS	Rs./ Certificate	1.83	1.01	



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

## Shari'ah Advisor's Report to the BOD for the Year Ended June 2021

I have conducted the *Shari'ah* review of Modaraba Al Mali managed by AssetPlex Modaraba Management Limited for the financial year ended June 2021 in accordance with the requirements of the ***Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas*** issued by SECP and report that except the observations as reported hereunder, in my opinion:

- i. The Modaraba has introduced a mechanism which has strengthened the *Shari'ah* compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the *Shari'ah* principles;
- ii. During the year, the business activities were carried out in the Shariah Compliant manner.
- iii. The agreement(s) entered into by the Modaraba during the period are *Shari'ah* compliant and all the agreement(s) have been executed on the formats as approved by the Religious Board of SECP and all the related conditions have been met;
- iv. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the *Shari'ah* requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan, specific AAOIFI Shariah Standards which have been adopted by SECP and the *Shari'ah* Compliance & *Shari'ah* Audit Regulations for Modarabas.
- v. The Modaraba does not have any deposit raising product at the moment, therefore no profit sharing ratios, profits and charging of losses (if any) relating to any deposit raising product apply.
- vi. No earnings have been realized from the sources or by means prohibited by *Shari'ah*.

### Conclusion

In my opinion and to the best of my knowledge and information provided by the Modaraba, I am of the view that during the period overall business activities of the Modaraba are Shariah Compliant.

And Allah knows best.



Mufti Zeeshan Abdul Aziz  
Al-Hikmah Shariah Advisory Services Pvt Ltd  
*Shari'ah* Advisor  
Modaraba Al Mali

Dated: 15-09-2021



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# Modaraba Al-Mali

## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

### Modaraba Al-Mali For the year ended June 30, 2021

The Board of Directors (the Board) of BankIslami Modaraba Investments Limited – the Modaraba Management Company (here after referred to as the Company) is responsible for the management of affairs of Modaraba Al-Mali (the Modaraba).

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are six as per the following:
  - a. Male: Five
  - b. Female: One
2. The composition of board is as follows:

Independent Directors	1. Mr. Abdul Qadir Memon (Chairman) 2. Mr. Hussain Ahmed Ozgen
Non-executive Directors	1. Mr. Amir Zia 2. Mr. Atique Ahmed Khan
Female Director	1. Ms. Huma Ejaz
Executive Director	1. Mr. Aftab Ahmad Chaudhary (Chief Executive Officer)

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 Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Modaraba along with its supporting policies and procedures.
5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Management Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / certificate holders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency and recording of the meeting. However, requirement relating to circulation of minutes of meeting of the Board was not met.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Modaraba is compliant with the requirement of training of minimum number of directors as on June 30, 2021.
10. The Board has approved appointment of Chief Financial Officer (CFO) and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements

## Modaraba Al-Mali

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of the Regulations. As the internal audit function has been outsourced, there is no Head of Internal Audit in the employment of the Modaraba, however a coordinator of the Board Audit Committee has been appointed by the board.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The board has formed committees comprising of members given below:
  - a) Audit Committee
    - Ms. Huma Ejaz (Chairman)
    - Mr. Amir Zia (Member)
  - b) HR and Remuneration Committee
    - Mr. Hussain Ahmed Ozgen (Chairman)
    - Ms. Huma Ejaz (Member)
    - Mr. Amir Zia (Member)
  - c) Nomination Committee
    - Mr. Abdul Qadir Memon (Chairman)
    - Mr. Aftab Ahmed Chaudhary (Member)
    - Mr. Amir Zia (Member)
  - d) Risk Management Committee
    - Mr. Hussain Ahmed Ozgen (Member)
    - Ms. Huma Ejaz (Member)

It is mandatory that the Modaraba establish an audit committee of at least three members comprising of non-executive directors and at least one independent director. The Modaraba is not compliant with the said requirement.

13. The terms of reference of Audit Committee and HR and Remuneration committee have been formed, documented and advised to the committee for compliance. The Modaraba is in the process of making terms of reference for the remaining two committees.
14. The frequency of meetings of the committee were as per following:
  - a) Audit Committee: Four quarterly meetings during the financial year ended June 30, 2021;
  - b) HR and Remuneration Committee: No meeting held during the financial year ended June 30, 2021.
15. The Board has outsourced the internal audit function to M/s Junaidy Shoaib Asad Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Modaraba.
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 Management Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 except for 27(1)(i) and 27(5) of the Regulations have been complied with; and

## Modaraba Al-Mali

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

S. No.	Requirement	Explanation for Non-Compliance	Regulation no.
1	The Board of the company shall ensure that a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees.	The Board has adopted a policy of formal evaluation, but no evaluation was conducted during the year. Since the Board, has not completed a full year due to reconstitution, therefore annual evaluation of directors was not conducted.	10(3)(v)
2	The internal audit function, wholly or partially, may be outsourced by the company to a professional services firm or be performed by the internal audit staff of holding company and in lieu of outsourcing, the company shall appoint or designate a fulltime employee other than chief financial officer, as head of internal audit holding equivalent qualification.	The coordinator appointed by the Board does not have the required qualification. The operations of the Modaraba are limited and the management believes that the person currently appointed as coordinator is competent to perform the duties.	31(6)
3	The Chairman of the Board shall, at the beginning of term of each director, issue letter to directors setting out their role, obligations, powers and responsibilities in accordance with the Act and the company's Articles of Association, their remuneration and entitlement.	No letter was issued to the directors as all the directors are experienced and are well aware of their role, obligations, powers and responsibilities in accordance with the Act and the Modaraba's Articles of Association. Moreover, their remuneration was discussed in meeting of the board.	10(5)
4	All directors of a company shall attend its general meetings, (ordinary and extra-ordinary) unless precluded from doing so due to any reasonable cause.	The meeting was attended by the CEO and CFO. The directors were not able to attend due to personal commitments and the same had been communicated to the CEO.	10(6)
5	The Chairman shall ensure that minutes of the meetings of the Board are kept in accordance with the requirements of section 178 and 179 of the Companies Act, 2017.	Section 178(4) of the Companies Act, 2017 require that draft minutes of meeting of board shall be furnished to every director within fourteen days of the date of meeting. The minutes were not circulated, however, the same were discussed in the next meeting and approved by the Board.	12(1)

Karachi:  
September 27, 2021

-- sd --  
Abdul Qadir Memon  
Chairman

### INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE HOLDERS OF MODARABA AL-MALI REVIEW REPORT 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 BankIslami Modaraba Investments Limited, the Modaraba Management Company of Modaraba Al-Mali (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 and Modaraba Management Company'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, the Modaraba's 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'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 reference where these are stated in the Statement of Compliance:

S. No.	Paragraph Reference	Description
i.	12	The audit committee established by the Modaraba comprise of only two members.

A. F. Ferguson & Co.  
Chartered Accountants  
Karachi  
October 05, 2021

# Modaraba Al-Mali

## AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of Modaraba Al-Mali (Modaraba) as at June 30, 2021 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended 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 purposes of our audit.

These financial statements are the Modaraba Management Company's [BankIslami Modaraba Investments 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 accounts have been kept by the Modaraba Management Company in respect of Modaraba Al-Mali 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 accounts and are further in agreement with accounting policies consistently applied;
  - 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, 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 cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba Management Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

- sd --  
Chartered Accountants

Karachi:  
October 05, 2021

Engagement Partner  
Syed Fahim ul Hasan

# Modaraba Al-Mali

## BALANCE SHEET As at June 30, 2021

ASSETS	Note	2021 Rupees	2020 Rupees
<b>Current assets</b>			
Cash and bank balances	4	53,350,982	64,479,573
Ijarah finance	5	3,755,007	3,755,007
Murabaha finance	6	-	-
Current portion of Diminishing Musharaka	7	3,855,624	7,388,866
Receivable against Ijarah rentals and maintenance service	8	-	12,647,513
Investments	9	1,364,300	-
Advances, deposits, prepayments, other assets and receivables	10	32,190,982	3,781,590
Tax refunds due from government	11	27,359,468	29,386,162
Inventory		2,280,388	1,569,368
		<u>124,156,751</u>	<u>123,008,079</u>
<b>Non-current assets</b>			
Long-term portion of Diminishing Musharaka	7	334,552	4,358,408
Investment property - at fair value	13	96,616,000	72,090,400
Property and equipment under Ijarah arrangements	14	-	4,064,006
Property and equipment	15	68,284,637	68,794,659
		<u>165,235,189</u>	<u>149,307,473</u>
<b>Total assets</b>		<u>289,391,940</u>	<u>272,315,552</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Creditors, accrued and other liabilities	16	6,223,746	7,208,632
Current portion of security deposits	17	3,762,138	7,841,138
Unclaimed profit distribution		9,649,240	8,406,113
		<u>19,635,124</u>	<u>23,455,883</u>
<b>Non-current liabilities</b>			
Long term portion of security deposits	17	115,000	100,000
<b>Total liabilities</b>		<u>19,750,124</u>	<u>23,555,883</u>
<b>NET ASSETS</b>		<u>269,641,816</u>	<u>248,759,669</u>
<b>REPRESENTED BY:</b>			
<b>CAPITAL AND RESERVES</b>			
Authorised certificate capital			
30,000,000 (June 30, 2020: 30,000,000)			
Modaraba certificates of Rs.10 each	18	<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid-up certificate capital	18	184,239,450	184,239,450
Capital reserves	19	140,686,223	133,929,056
Revenue reserves		(55,283,857)	(69,408,837)
		<u>269,641,816</u>	<u>248,759,669</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	20		

The annexed notes from 1 to 38 form an integral part of these financial statements.

**For AssetPlex Modaraba Management Limited**  
(Formerly BankIslami Modaraba Investments Limited)  
(Modaraba Management Company)

**Chief Financial Officer**  
For AssetPlex Modaraba Management Limited  
(Formerly BankIslami Modaraba Investments Limited)  
(Modaraba Management Company)

**Chief Executive Officer**  
For AssetPlex Modaraba Management Limited  
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# Modaraba Al-Mali

## PROFIT AND LOSS ACCOUNT For The Year Ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
Ijarah rentals			143,545
Income from operation of fuel station	21	10,210,527	10,014,673
Income from Term Deposits with Islamic banks		3,720,294	3,549,056
Income on deposits with Islamic bank		645,129	1,510,868
Income on Diminishing Musharaka transactions		1,016,300	2,227,598
Rental income	22	7,749,699	5,929,547
Fair value adjustment on investment property	13	<u>24,525,600</u>	<u>1,486,400</u>
		47,867,549	24,861,687
Depreciation on assets under Ijarah arrangements	14	-	(117,400)
Expenses on fuel station operations	21	<u>(5,671,210)</u>	<u>(6,226,462)</u>
		42,196,339	18,517,825
Other income	23	24,336	1,117,900
Reversal of provision against doubtful Ijarah rentals	24	-	6,782,496
Administrative and operating expenses	25	<u>(6,938,057)</u>	<u>(6,738,330)</u>
		35,282,618	19,679,891
Modaraba Management Company's remuneration	16.2	-	-
Provision for Sindh services sales tax on management company's remuneration	16.2	(4,587)	(2,558)
Provision for Workers' Welfare Fund	26	<u>(691,726)</u>	<u>(385,830)</u>
<b>Profit for the year before taxation</b>		<u>34,586,305</u>	<u>19,291,503</u>
Taxation	21 & 27	800,468	684,479
<b>Profit for the year after taxation</b>		<u>33,785,837</u>	<u>18,607,024</u>
Other comprehensive income			
Items that will not be reclassified to profit and loss account			
Remeasurement of post-employment benefit obligations	10.3.6	(6,928)	(199,202)
<b>Total comprehensive income for the year</b>		<u>33,778,909</u>	<u>18,407,822</u>
<b>Earnings per certificate - basic &amp; diluted</b>	28	<u>1.83</u>	<u>1.01</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.

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# Modaraba Al-Mali

## CASH FLOW STATEMENT For The Year Ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the year before taxation		34,586,305	19,291,503
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation on assets under Ijarah arrangements		-	117,400
Depreciation on fixed assets in own use		510,022	539,556
Reversal of provision against doubtful Ijarah rentals		-	(6,782,496)
Provision for Workers' Welfare Fund		691,726	385,830
Other income		(24,336)	(1,117,900)
Fair value adjustment on investment property		(24,525,600)	(1,486,400)
		(23,348,188)	(8,344,010)
		<u>11,238,117</u>	<u>10,947,493</u>
<b>Decrease / (increase) in assets</b>			
Receivable against Ijarah rentals and maintenance service		12,647,513	212,323
Advances, deposits, prepayments and other receivables		(28,416,320)	300,122
Inventory		(711,020)	1,294,802
		(16,479,827)	1,807,247
<b>Decrease in current liabilities</b>			
Creditors, accrued and other liabilities		(1,676,612)	(1,128,434)
Security deposits		(4,064,000)	(2,539,600)
		(5,740,612)	(3,668,034)
<b>Cash (used in) / generated from operations</b>			
Income taxes refunded / (paid)		(10,982,322)	9,086,706
Net cash (used in) / generated from operating activities		1,226,232	(684,479)
		<u>(9,756,090)</u>	<u>8,402,227</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments purchased during the year		(1,339,964)	-
Disposal of assets under Ijarah arrangements		4,064,000	2,524,600
Diminishing Musharaka		7,557,098	7,148,540
Net cash generated from investing activities		<u>10,281,134</u>	<u>9,673,140</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Profit distributed to certificate holders		(11,653,635)	(2,778,018)
Net cash used in financing activities		(11,653,635)	(2,778,018)
		<u>(11,128,591)</u>	<u>)</u>
Net (decrease) / increase in cash and cash equivalents		64,479,573	15,297,349
Cash and cash equivalents at beginning of the year			49,182,224
Cash and cash equivalents at end of the year	4	<u>53,350,982</u>	<u>64,479,573</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.

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# Modaraba Al-Mali

## STATEMENT OF CHANGES IN EQUITY For The Year Ended June 30, 2021

	Capital reserves				Revenue reserves		Total reserves	Total equity
	Paid-up certificate capital	Premium on issue of certificates	Statutory reserve	Surplus on revaluation of investment property	Accumulated loss (Note)			
Rupees -----								
Balance as at July 1, 2019	184,239,450	511,409	63,164,012	66,532,230	(81,147,423)	49,060,228	233,299,678	
Final cash dividend of Re. 0.16 per certificate for the year ended June 30, 2019	-	-	-	-	(2,947,831)	(2,947,831)	(2,947,831)	
Profit for the year ended June 30, 2020	-	-	-	-	18,607,024	18,607,024	18,607,024	
Other comprehensive loss for the year ended June 30, 2020	-	-	-	-	(199,202)	(199,202)	(199,202)	
Transfer to statutory reserve	-	-	3,721,405	-	(3,721,405)	-	-	-
Balance as at June 30, 2020	184,239,450	511,409	66,885,417	66,532,230	(69,408,837)	64,520,219	248,759,669	
Final cash dividend of Re. 0.70 per certificate for the year ended June 30, 2020	-	-	-	-	(12,896,762)	(12,896,762)	(12,896,762)	
Profit for the year ended June 30, 2021	-	-	-	-	33,785,837	33,785,837	33,785,837	
Other comprehensive loss for the year ended June 30, 2021	-	-	-	-	(6,928)	(6,928)	(6,928)	
Transfer to statutory reserve	-	-	6,757,167	-	(6,757,167)	-	-	-
Balance as at June 30, 2021	184,239,450	511,409	73,642,584	66,532,230	(55,283,857)	85,402,366	269,641,816	

Note: Accumulated loss as at June 30, 2021 includes unrealised gain on investment property amounting to Rs. 29,728,000 (2020: Rs. 5,202,400) which is not distributable in terms of Section 240 of the Companies Act, 2017.

The annexed notes from 1 to 38 form an integral part of these financial statements.

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *For The Year Ended June 30, 2021*

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Modaraba Al-Mali (the "Modaraba") is a multipurpose and perpetual Modaraba floated in Pakistan on July 8, 1987 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 ("Modaraba Ordinance, 1980"), and Modaraba Companies and Modaraba Rules, 1981 (Modaraba Rules, 1981) and is managed by BankIslami Modaraba Investments Limited (the "Management Company"), a company registered under the repealed Companies Ordinance, 1984 now Companies Act, 2017. The name of the Modaraba Management Company has been changed to Assetplex Modaraba Management Limited with effect from August 10, 2021. The Modaraba is listed on the Pakistan Stock Exchange Limited. The registered office of the management company is situated at 10th Floor, Progressive Square, Shahra-e-Faisal, Karachi, in the province of Sindh. The Modaraba also owns a fuel station located on Gulshan-e-Maymar, Super Highway, Karachi.

The Modaraba is engaged in the business of Leasing / Ijarah, Murabaha, Musharaka Financing and operation of petrol and diesel filling / service station. Upon transfer of ownership of Modaraba management company to the new management, Modaraba's focus has been changed from Islamic financing modaraba to undertaking Islamic venture capital, private equity and corporate & financial restructuring / rehabilitation transactions of potentially viable companies through resource mobilization.

Pakistan Credit Rating Agency (PACRA) has maintained long term entity rating of BBB+ and short term rating of A2, of the Modaraba.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017;
- Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021;
- Provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, IFASs, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations,

2021 and directives issued by the SECP differ from the Companies Act, 2017 and IFRS Standards, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, IFASs, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021 or the provisions of and directives issued by the SECP under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 have been followed.

## 2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for investment property and investments which have been carried at fair value and staff retirement benefits which have been carried at present value of defined benefit obligations.

## 2.3 Functional and presentation currency

These financial statements have been presented in Pak Rupee, which is the functional and presentation currency of the Modaraba.

## 2.4 Applicability of International Accounting Standard (IAS) 17 'Leases' and Islamic Financial Accounting Standard (IFAS) 2 'Ijarah'

**2.4.1** SECP vide its circular No. 10 of 2004 dated February 13, 2004 had deferred, till further orders, the applicability of International Accounting Standard (IAS) 17 "Leases" on modarabas with effect from July 1, 2003 and advised the management companies of modarabas that they may continue to prepare the financial statements of modarabas without applying the requirements of IAS 17. However, the requirements of IAS 17 were considered for the purpose of leasing transactions (net investment in finance lease, assets given on finance lease, liabilities against assets subject to finance lease, and assets obtained on finance lease) entered into by the Modaraba upto June 30, 2008. Currently, lease transactions (both for assets given and assets obtained) are being accounted for in accordance with the requirements of IFAS 2 as explained in note 2.4.2.

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

- Muj`ir (lessor) presents assets subject to Ijarah on their balance sheet according to the nature of the asset, distinguished from owned assets.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expense.
- Ijarah income is recognised in income on 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.

SECP, vide its letter No. SC/ M/ RW/ SCM /2009 dated March 9, 2009, allowed that in case of Modarabas, IFAS 2 shall be applied for Ijarah transactions executed on or after July 1, 2008. Accordingly, the Modaraba has accounted for leasing transactions executed before July 01, 2008 as finance leases and has treated the leasing transactions executed on or after July 01, 2008 in accordance with the requirements of IFAS 2.

## 2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan 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. The management makes estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis.

The areas where various assumptions and estimates are significant to Modaraba's financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) estimates of residual values, useful lives and depreciation methods of fixed assets in own use and Ijarah assets;
- ii) estimates used to determine fair market values of the investment property including nature, location and condition of the investment property;
- iii) provision against non-performing leasing / Ijarah portfolio, trade debts and other receivables; and
- iv) provision for staff retirement benefits.

## 2.6 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year:

**2.6.1** There were certain amendments to the approved accounting standards which became effective during the year ended June 30, 2021 but are considered not to be relevant or do not have any significant effect on the Modaraba's financial statements and are, therefore, not disclosed in these financial statements.

## 2.7 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2021 that are expected to have an impact on the financial statements of the Modaraba.

IFRS 9: Financial Instruments is applicable effective from July 1, 2018. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach.

During the year ended June 30, 2019, NBFI & Modaraba Association of Pakistan based on the clarification of SECP informed its members that SECP has deferred the applicability of IFRS 9 to the extent of provision for impairment for financings made by Modaraba and required the Modaraba to follow all other requirements of IFRS 9. Accordingly, the Modaraba had adopted all requirements of IFRS 9 and had determined the provision in respect of financings as per the

requirements of the repealed Prudential Regulations in the financial statements for the year ended June 30, 2019. During the year ended June 30, 2020, the SECP extended the applicability of IFRS 9 for period ending on or after June 30, 2021.

However, during the current year, the SECP has further deferred the applicability of complete IFRS-9 for Modarabas until June 30, 2022. In the circumstances, as the Modaraba had already adopted all requirements of IFRS 9 with the exception of provision for impairment for financings which was determined in accordance with the requirements of the repealed Prudential Regulations (now Modaraba Regulations, 2021) therefore, the Modaraba continues to follow same practice in the current year.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented.

#### **3.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash in hand, balances with banks in current accounts and in profit and loss sharing accounts, term deposit receipt with maturity upto 90 days, as well as balance held with the State Bank of Pakistan (SBP) and stamp papers.

#### **3.2 Ijarah Finance - prior to July 1, 2008**

Lease transactions entered into by the Modaraba prior to July 1, 2008 are accounted for as finance leases whereby assets under Ijarah arrangements are presented as receivables at an amount equal to the present value of the minimum Ijarah payments, including estimated residual value, if any. Unearned income i.e. excess of aggregate rentals over the cost of the asset is recorded at the inception of the Ijarah and is amortised over the term of the Ijarah so as to produce a constant rate of return on net investment in Ijarah. Allowances for non-performing leases are made in accordance with the Modaraba Regulations, 2021.

#### **3.3 Lease rentals - assets under Ijarah arrangements - after July 1, 2008**

Assets given under Ijarah arrangements after July 1, 2008 are treated as assets given under operating lease arrangements. Lease rentals are credited to profit and loss account on an accrual basis.

#### **3.4 Property and equipment**

##### **3.4.1 Owned**

Operating assets are stated at cost less accumulated depreciation and impairment losses, if any. 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 asset will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance

are charged to profit and loss account during the period in which they are incurred.

Depreciation is charged as an expense applying the straight-line method whereby the cost of an asset is written off over its estimated useful life after taking into account residual value, if any. In respect of additions and disposals during the year, depreciation is charged proportionately to the period of use.

Depreciation method, useful lives and residual values are reassessed at least at each balance sheet date and changes, if any, are recognised prospectively.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account currently.

### **3.4.2 Under Ijarah arrangements**

Modaraba adopted Islamic Financial Accounting Standard 2-Ijarah during the year ended June 30, 2009 for all Ijarah contracts commencing on or after July 1, 2008. The assets subject to Ijarah commencing on or after July 1, 2008 are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged on these assets using straight line method whereby the cost of an asset less salvage value is written off over the period of the Ijarah, which is considered to be the estimated useful life of the asset.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account currently.

### **3.4.3 Impairment**

The Modaraba assesses at each balance sheet date whether there is any indication that non-financial 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 amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the 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 asset subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost or the carrying amount of the asset had there been no impairment. Reversal of impairment loss is recognised as income.

### **3.5 Investment property**

Investment property, which is property held to earn rentals and / or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis is measured at fair value, at each reporting

date. The changes in fair value are recognised in the profit and loss account. Any other investment property (whose fair value cannot be measured reliably without undue cost or effort) is measured at cost less accumulated depreciation and any impairment loss.

The fair value of investment property after initial recognition / transfer is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition.

### **3.6 Murabaha transactions**

Under Murabaha financing, funds disbursed for the purchase of goods are recorded as 'advance for Murabaha'. On culmination of Murabaha i.e. sale of goods to customers, Murabaha financings are recorded at the deferred sale price net of profit. Goods purchased but remaining unsold at the reporting date are recorded as inventories.

### **3.7 Receivable from terminated / matured contracts**

These are stated net of impairment loss. Impairment loss is recognised for doubtful receivables on the basis of Modaraba Regulations, 2021 issued by the SECP. Bad debts are written off when identified.

### **3.8 Inventory**

#### **3.8.1 Stores and consumables**

These are valued at the moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon.

#### **3.8.2 Fuel and lubricants**

Fuel and lubricants are valued at the lower of moving average cost and net realisable value. Cost comprises of invoice value and other charges e.g. freight, franchise fee, excise duty and GST etc.

### **3.9 Provisions**

Provisions are recognised 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 obligation. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

### **3.10 Trade and other payables**

Liabilities for trade and other amounts payable are recognised and carried at cost which is the fair value of the consideration to be paid in future.

### **3.11 Revenue recognition**

### 3.11.1 Ijarah income / operating lease income

The Modaraba follows the finance method for recognising income on Ijarah contracts commencing prior to June 30, 2008 and accounted for as finance leases. Under this method, the unearned income i.e. the excess of aggregate Ijarah rentals (including residual value) over the cost of the asset under Ijarah facility is deferred and then amortised over the term of the Ijarah, so as to produce a constant rate of return on net investment in the Ijarah.

For Ijarah arrangements commencing on or after July 1, 2008, Ijarah rentals are recognised as income on an accrual basis, as and when rentals become due on a systematic basis over the lease and Ijarah period.

Documentation charges, front-end fee and other Ijarah income are recognised as income on receipt basis. Unrealised lease income pertaining to non-performing leases is held in suspense account, where necessary, in accordance with the requirements of the Modaraba Regulations, 2021.

Leases in which a significant portion of the risk and reward is retained by the Modaraba are classified as operating lease. Rental income from operating leases is recognised on straight line on a time proportion basis (i.e. on an accrual basis).

### 3.11.2 Income on sukuk securities, bank balances and term deposit receipts

Income on these assets is recognised on a time proportion basis under the effective yield method.

### 3.11.3 Murabaha and Musharaka Finances

Profit from Musharaka transactions is recognised on the basis of pro rata accrual of the profit estimated for the transaction over the period.

Profit from Murabaha Finance is accounted for on culmination of Murabaha transaction. However, the profit on that portion of Murabaha Finance not due for payment is deferred by accounting for "Deferred Murabaha Income" with a corresponding credit to "Unearned Murabaha Income" which is recorded as a liability. The same is then recognised on a time proportion basis.

### 3.11.4 Rental income

Rental income from investment property that is leased to a third party under an operating lease is recognised in the profit and loss account on a straight-line basis over the lease term.

### 3.11.5 Dividend income

Dividend income is recognised when the Modaraba's right to receive dividend is established.

### 3.11.6 Gains and losses on remeasurement and sale of investments

Unrealised gains / (losses) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.

Gains and losses on sale of investments are accounted for on trade date i.e. the date on which

the Modaraba commits to purchase or sell the asset.

### 3.11.7 Income from maintenance services

Income from maintenance services is recognised on an accrual basis.

### 3.11.8 Income from operation of fuel station

Income from sale of oil and lubricants is recognised when the product is delivered.

### 3.11.9 Unrealised income on non-performing assets

Unrealised income is suspended, where necessary, on non-performing assets (including non-performing net investment in Ijarah and Murabaha and Musharaka Finances), in accordance with the requirements of the Modaraba Regulations, 2021 issued by the SECP. Unrealised suspense income is recognised in profit and loss account on receipt basis.

### 3.11.10 Income from Diminishing Musharaka

Profit on Diminishing Musharaka financing is recognised on an accrual basis.

## 3.12 Financial Instruments - Initial recognition and subsequent measurement

### Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

### Classification of financial assets

IFRS 9 has the following categories for classification of financial assets:

- 1) Debt instruments at amortised cost.
- 2) Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit and loss account on derecognition.
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit and loss account on derecognition.
- 4) Financial assets at fair value through profit or loss.

The classification is based on the criteria which is a) the entity's business model for managing the assets; and b) whether the instruments' contractual cash flows represent 'solely payments of principal and profit' on the principal amount outstanding.

### Classification of financial liabilities

The Modaraba classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Modaraba has opted to measure them at FVTPL.

## **Subsequent measurement**

### **i) Financial assets at FVTOCI**

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

### **ii) Financial assets and liabilities at amortised cost**

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

### **iii) Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the profit and loss account. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit and loss account in the period in which they arise.

## **Impairment of financial asset**

IFRS 9 requires impairment to be measured using the expected credit loss model. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. Consequently, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

However, NBFI & Modaraba Association of Pakistan, based on the clarification of the SECP, have informed all its members that the provisioning criteria will remain the same as defined under the Modaraba Floatation and Control Ordinance, 1980 and Rules & Regulations framed therein. Accordingly, the Modaraba has maintained provision against financing assets in accordance with relevant laws applicable to Modaraba.

The management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets other than financing assets i.e. balances with banks and other financial assets, and concluded that impact is not material to the financial statements.

## Derecognition

### i) Financial assets

The Modaraba derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised as gain / (loss). In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit and loss account. In contrast, on derecognition of an investment in equity instrument which the Modaraba has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit and loss account, but is transferred to statement of changes in equity.

### ii) Financial liabilities

The Modaraba derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the profit and loss account.

## Off-setting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amount and the Modaraba intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

## 3.13 Staff retirement benefits

### 3.13.1 Defined benefit plan - staff gratuity

The Modaraba participates in an approved group funded gratuity scheme for all its permanent employees, who have completed minimum qualifying service period of 3 years. The group comprises of BankIslami Modaraba Investments Limited and Modaraba Al-Mali. Consolidated fund is being maintained for the employees of the group. Contributions to the fund are made on the basis of actuarial recommendation normally carried out on yearly basis. The latest actuarial valuation was carried out as at June 30, 2021 under the 'Projected Unit Credit Actuarial Cost Method'.

Re-measurements, comprising of actuarial gains and losses, excluding net mark-up and the return on plan assets (excluding net mark-up), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Net mark-up is calculated by applying the discount rate to the net defined

benefit liability or asset. The Modaraba recognises service costs comprising current service costs, past-service costs, and net mark-up expense or income in the profit and loss account.

### 3.13.2 Defined contribution plan - staff provident fund

The Modaraba contributes to an approved group provident fund scheme covering all its employees who are eligible under the scheme. Equal monthly contributions are made by Modaraba and the employees to the fund at the rate of 8.33% of the basic salary.

### 3.13.3 Staff compensated absences

The Modaraba also makes provision in the financial statements for its liability towards compensated absences based on the leaves accumulated up to the balance sheet date in accordance with the service rules.

## 3.14 Taxation

### 3.14.1 Current

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. The income of non-trading Modarabas is exempt from tax provided that not less than 90% of their profits for the year as reduced by amount transferred to a mandatory reserve as required under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) are distributed to the certificate holders. The Modaraba intends to avail the tax exemption by distributing at least 90% of its profits to the certificate holders each year. Currently, the income of Modaraba from trading activities (from fuel station) is covered under presumptive tax regime. For items covered under presumptive tax regime, any charge is recognised according to the presumptive tax rates provided in the Income Tax Ordinance, 2001.

The above exemption has been withdrawn with effect from July 1, 2021.

### 3.14.2 Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising between the tax bases and carrying amounts of assets and liabilities appearing in the financial statements. Deferred tax liability is recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable profits will be available against which the temporary differences can be utilised.

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

## 3.15 Segment information

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As per IFRS 8: "Operating Segments", 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.

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

## 3.16 Proposed profit distribution to certificate holders and transfers between reserves

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such dividends are declared / transfers are made.

## 3.17 Earnings per certificate

The Modaraba presents basic and diluted earnings per certificate data for its certificate holders. Basic earnings per certificate is calculated by dividing the profit or loss attributable to certificate holders of the Modaraba by the weighted average number of certificates outstanding during the year. Diluted earnings per certificate 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.

	Notes	2021 Rupees	2020 Rupees
<b>4. CASH AND BANK BALANCES</b>			
Balances with banks in:			
- profit and loss sharing accounts	4.1	34,893,707	16,871,499
- term deposit accounts	4.2	15,000,000	45,000,000
- current accounts		2,850,111	1,757,171
		52,743,818	63,628,670
Balances with State Bank of Pakistan		14,191	14,191
Cash in hand		52,758,009	63,642,861
Stamp paper		592,973	836,462
		-	250
		53,350,982	64,479,573

- 4.1** These carry profit rates ranging from 1.95% to 5.52% (2020: 2.74% to 6.21%) per annum.
- 4.2** These certificates will mature on September 8, 2021 (2020: September 9, 2020) and carry profit at the rate of 7% (2020: 7.5%) per annum.

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5.	IJARAH FINANCE	Notes	2021	2020
			Rupees	Rupees
	Ijarah contracts commencing up to June 30, 2008 - accounted for as finance leases			
	Minimum lease payments due		40,480,939	40,480,939
	Residual value of leased assets		3,755,007	3,755,007
	Total receivable		44,235,946	44,235,946
	Suspended lease income		(7,491,364)	(7,491,364)
	Provision for impairment against potential Ijarah losses	5.1 & 24	(32,989,575)	(32,989,575)
			(40,480,939)	(40,480,939)
			3,755,007	3,755,007
<b>5.1</b>	These Ijarah finances are fully provided and the remaining amount represents amount of security deposit to be adjusted at the time of settlement with the defaulted parties. Since the finance is non-performing, no income is accrued on it in accordance with the Modaraba Regulations, 2021.			
6.	MURABAHA FINANCE			
	Considered doubtful	6.1	2,517,068	2,517,068
	Provision for impairment loss against doubtful recoveries	24	(2,517,068)	(2,517,068)
<b>6.1</b>	These represent amounts receivable against Murabaha transactions i.e. sale of goods on deferred payment basis at a specified profit margin ranging from 10% to 24% per annum. Since the finance is non-performing, no income is accrued on it in accordance with the Modaraba Regulations, 2021.		-	-
7.	DIMINISHING MUSHARAKA			
	Musharaka Finance		4,190,176	11,747,274
	Less: Current portion of Diminishing Musharaka		(3,855,624)	(7,388,866)
	Long term portion of Diminishing Musharaka		334,552	4,358,408
8.	RECEIVABLE AGAINST IJARAH RENTALS AND MAINTENANCE SERVICE			
	Considered good			
	- Ijarah rentals receivable		-	12,647,513
	Considered doubtful			
	- Maintenance fee	8.1	4,275,537	4,275,537
	- Ijarah lease rentals of tower and allied equipments		10,194,320	10,194,320
			14,469,857	27,117,370
	Less: Provision against potential Ijarah losses	24	(14,469,857)	(14,469,857)
<b>8.1</b>	This relates to discontinued operations.		-	12,647,513

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## 8.2 Minimum future Ijarah rentals from assets under IFAS-2

	2021 (Rupees)		
	Due within one year	Due after one year but within five years	Total
Minimum Ijarah payments receivable	-	-	-

	2020 (Rupees)		
	Due within one year	Due after one year but within five years	Total
Minimum Ijarah payments receivable	-	-	-

## 9. INVESTMENTS

	Notes	2021 Rupees	2020 Rupees
<b>At fair value through profit and loss</b> - Investments in listed equity securities	9.1	<u>1,364,300</u>	-

### 9.1 Investment in listed equity securities

All shares have a nominal face value of Rs. 10 each

Name of the investee company	Number of shares					Cost	Fair value	Unrealised gain taken to profit and loss account
	As at July 1, 2020	Purchased during the year	Bonus/right shares received during the year	Sold during the year	As at June 30, 2021			
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>								
Unity Foods Limited	-	10,000	-	-	10,000	433,823	445,200	11,377
<b>POWER GENERATION &amp; DISTRIBUTION</b>								
Saif Power Limited	-	15,000	-	-	15,000	259,454	260,100	646
<b>TRANSPORT</b>								
Pakistan International Bulk Terminal Limited	-	10,000	-	-	10,000	112,904	113,800	896
<b>CABLE &amp; ELECTRICAL GOODS</b>								
Waves Singer Pakistan Limited	-	20,000	-	-	20,000	533,783	545,200	11,417
<b>Total as at June 30, 2021</b>					<u>1,339,964</u>	<u>1,364,300</u>	<u>24,336</u>	
<b>Total as at June 30, 2020</b>					-	-	-	

9.2 Fair value of listed equity securities represents market value prevailing on June 30, 2021.

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10. ADVANCES, DEPOSITS, PREPAYMENTS, OTHER ASSETS AND RECEIVABLES	Notes	2021	2020
		Rupees	Rupees
<b>Considered Good</b>			
Advances			
- to suppliers		863,360	-
- to employees against salary		6,000	62,200
- to broker	10.1	7,160,037	-
Advance against IPO investment	10.2	21,236,000	-
Prepayments		495,255	712,693
Defined benefit plan - staff gratuity	10.3	1,333,640	1,284,354
Other deposits		40,899	40,899
Rent receivable		414,734	279,734
Profit receivable		405,004	300,946
Other receivables		236,053	1,100,764
		<u>32,190,982</u>	<u>3,781,590</u>

### **Considered doubtful**

Other receivables		6,242,260	6,242,260
- Terminated leases		1,188,872	1,188,872
- Miscellaneous amount recoverable from the lessees		16,275	16,275
- Dividend receivable		22,422	22,422
- Receivable from brokers		355,102	355,102
- Receivable against sale of fuel		228,732	228,732
- Others		8,053,663	8,053,663
Provision for impairment loss against doubtful recoveries	24	<u>(8,053,663)</u>	<u>(8,053,663)</u>
		<u>32,190,982</u>	<u>3,781,590</u>

**10.1** This represents advance paid to Zahid Latif Khan Securities (Private) Limited for the purchase of equity securities.

**10.2** This represents advance paid for 663,625 shares of Citi Pharma Limited, a related party, at Rs 32 per share acquired through bidding under book building method. The amount has been classified as "advance against IPO investment" as the shares were not issued to the Modaraba on June 30, 2021. The shares of Citi Pharma Limited were first traded on Pakistan Stock Exchange on July 9, 2021 and the closing share price as on that date was Rs 34.4 per share.

**10.3 Defined benefit asset - staff gratuity**

**10.3.1 Present value of defined benefit obligation and assets of the fund**

Present value of defined benefit obligation		1,456,817	1,774,139
Fair value of plan assets		(2,790,457)	(3,058,493)
Net defined benefit asset recognised in the balance sheet		<u>(1,333,640)</u>	<u>(1,284,354)</u>

## Modaraba Al-Mali

	Notes	2021 Rupees	2020 Rupees
<b>10.3.2 Movement in net defined benefit asset during the year</b>			
Opening net defined benefit asset		(1,284,354)	(1,392,775)
Income recognised in profit and loss account	10.3.3	(10,834)	(90,781)
Contributions made during the year		(45,380)	
Remeasurement loss recognised in other comprehensive income	10.3.6	6,928	199,202
Closing net defined benefit asset		<u>(1,333,640)</u>	<u>(1,284,354)</u>
<b>10.3.3 Amount charged to the profit and loss account</b>			
Following amounts have been charged to the profit and loss account during the current year in respect of this scheme:			
Current service cost	10.3.4	102,828	97,951
Return Expense	10.3.4	167,630	231,340
Expected return on plan assets	10.3.5	<u>(281,292)</u>	<u>(420,072)</u>
		<u>(10,834)</u>	<u>(90,781)</u>
Actual return on plan assets	10.3.6	<u>77,932</u>	<u>106,773</u>
<b>10.3.4 Movement in the present value of defined benefit obligation</b>			
Present value of defined benefit obligation at beginning of the year		1,774,139	1,558,945
Current service cost		102,828	97,951
Return Expense		167,630	231,340
Benefits paid		(391,348)	-
Remeasurement gain for the year		(196,432)	(114,097)
Present value of defined benefit obligation at end of the year		<u>1,456,817</u>	<u>1,774,139</u>
<b>10.3.5 Movement in the fair value of plan assets</b>			
Fair value of plan assets at beginning of the year		3,058,493	2,951,720
Expected return on plan assets		281,292	420,072
Contributions		45,380	-
Benefit paid		(391,348)	-
Remeasurement loss for the year		(203,360)	(313,299)
Fair value of plan assets at end of the year		<u>2,790,457</u>	<u>3,058,493</u>

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	2021 Rupees	2020 Rupees
<b>10.3.6 Re-measurements recognised in other comprehensive income</b>		
Re-measurement: Actuarial loss / (gain) on obligation	4,974	(42,128)
Due to change in financial assumptions	(201,406)	(71,969)
Due to change in experience adjustments	(196,432)	(114,097)
Remeasurement: Actuarial (gain) / loss on plan assets		
Actual return on plan assets	(77,932)	(106,773)
Expected return on plan assets	281,292	420,072
	203,360	313,299
Re-measurement loss recognised in other comprehensive income	<u>6,928</u>	<u>199,202</u>
<b>10.3.7 Composition of plan assets</b>		
Debt instruments	589,668	730,850
Bank deposits	<u>2,200,789</u>	<u>2,327,643</u>
	<u>2,790,457</u>	<u>3,058,493</u>
<b>10.3.8 Actuarial assumptions</b>		

The principal assumptions used in the actuarial valuation carried out as of June 30, 2021, using the 'Projected Unit Credit' method, are as follows:

	2021	2020
Expected rate of increase in salary	10% per annum	10% per annum
Discount rate used to determine the actuarial present value of obligation	10% per annum	9.25% per annum
Expected rate of return on plan assets	10% per annum	9.25% per annum
Expected mortality rate	<b>SLIC (2001-05)</b> with 1 year set back	SLIC (2001-05) with 1 year set back
Expected withdrawal rate	<b>Age dependent</b>	Age dependent

Expected income in respect of gratuity scheme in the next financial year on the advice of actuary is Rs. 10,834.

## 10.3.9 Actuarial Risk

The scheme exposes the Modaraba to the following actuarial risks:

### Salary risk

This includes the risk that final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

### Mortality / withdrawal risk

This includes the risk that the actual mortality / withdrawal experience is different than assumed. The effect depends upon the beneficiaries' service / age distribution and the benefit.

### Investment risk

This includes the risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is managed by formulating an investment policy and guidelines based on which investments are made after obtaining approval of the trustees of the fund.

In case of the funded plans, the investment positions are managed within an Asset-Liability Matching (ALM) framework to ensure that long-term investments are in line with the obligation under the defined benefit plan. The Modaraba actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the defined benefit plan obligations. The Modaraba has not changed the process used to manage its risks from previous years. Investments are well diversified. A large portion of the plan assets in the year 2021 consists of bank deposit.

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yield on fixed profit investments is based on gross redemption yield as at the balance sheet date.

## 10.3.10 Sensitivity analysis

The calculation of defined benefit asset is sensitive to assumptions set out above. The following table summarises how the defined benefit asset at the reporting period would have increased / (decreased) as a result of change in respective assumptions by one percent.

	Defined benefit obligation Effect of 1%	
	Increase Rupees	Decrease Rupees
Discount rate	1,341,302	1,584,052
Expected rate of increase in salaries	1,590,028	1,334,187

The sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be

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correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the liability for gratuity recognised within the balance sheet.

The weighted average number of years of defined benefit asset as at June 30, 2021 is 8.31 years (2020: 11.06 years).

**The undiscounted projected benefit payments from gratuity fund are as follows:**

	Rupees
For the year 2022	16,336
For the year 2023	20,139
For the year 2024	24,060
For the year 2025	28,525
For the year 2026	27,219
For the year 2027-31	3,581,297

## 10.3.11 Historical information (in respect of the gratuity scheme)

	2021	2020	2019	2018	2017
----- (Rupees)-----					
Defined benefit obligation	1,456,817	1,774,139	1,558,945	2,897,732	2,359,658
Fair value of plan assets	(2,790,457)	(3,058,493)	(2,951,720)	(4,429,036)	(4,225,028)
Unrecognised actuarial loss	-	-	-	-	-
Surplus	<u>(1,333,640)</u>	<u>(1,284,354)</u>	<u>(1,392,775)</u>	<u>(1,531,304)</u>	<u>(1,865,370)</u>
Remeasurements of plan liabilities	(196,432)	(114,097)	100,635	120,554	(196,981)
Remeasurements of plan assets	(203,360)	(313,299)	(363,289)	(213,512)	(197,179)
Remeasurement loss of prior period	-	-	-	-	-

## 11. TAX REFUNDS DUE FROM GOVERNMENT

These represent amounts either withheld by various withholding agents on account of payments received by the Modaraba or advance tax paid by the Modaraba as required under the Income Tax Ordinance, 2001 at the time of making certain payments. The income of the Modaraba is exempt from income tax provided it distributes 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves, in accordance with the Second Schedule to the Income Tax Ordinance, 2001. The Modaraba has either incurred loss in prior years on account of which no distribution was required to be made or has made the required distribution of 90% in prior years. Accordingly, no tax was required to be paid by the Modaraba and the entire amount has been recorded as recoverable. The Modaraba has filed application for refund for each tax year in which withholding tax have been deducted.

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During the current year, in respect of tax years 2014, 2015 and 2019, the FBR has passed orders of refund for amounts less than that claimed by Modaraba in its refund applications. The Modaraba has filed an appeal against the said orders and the management is confident that the appeal will be decided in favour of the Modaraba.

12. This consists of fuel (premium motor gasoline and diesel) and lubricants.

	Notes	2021 Rupees	2020 Rupees
13. INVESTMENT PROPERTY			
Carrying amount as at July 01, 2020		72,090,400	70,604,000
Net gain from fair value adjustment		24,525,600	1,486,400
Carrying amount as at June 30, 2021		<u>96,616,000</u>	<u>72,090,400</u>

- 13.1 The Management Company of the Modaraba has rented out the leasehold office premises. The leasehold office premises (investment property) of the Modaraba have been valued as at June 30, 2021 by an independent and qualified valuer Harvester Services (Private) Limited on the basis of professional assessment of the market values using current market prices for comparable real estate, adjusted for any differences in nature, location and condition. The revaluation resulted in a surplus of Rs. 24.526 million (2020:Rs. 1.486 million) which has been taken to the profit and loss account.
- 13.2 Forced sale value of the investment property is assessed at Rs. 82.124 million (2020: Rs. 61.28 million).
- 13.3 The details of investment property in the name of the Modaraba is as follows:

Location	Area
Offices at 10th Floor Progressive Square, Shahra e Faisal, Karachi	7,432 sq. feet

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## 14. PROPERTY AND EQUIPMENT UNDER IJARAH ARRANGEMENTS

### 14.1 Ijarah contracts commenced from July 01, 2008 -accounted for under IFAS2

	2021		
	Machinery	Vehicles	Total
	(Rupees)		
<b>At July 01, 2020</b>			
Cost	-	40,640,000	40,640,000
Accumulated depreciation	-	(36,575,994)	(36,575,994)
Net book value	-	4,064,006	4,064,006
 Additions	-	-	-
 Transfers			
Cost	-	-	-
Depreciation	-	-	-
 Disposals			
Cost	-	(40,640,000)	(40,640,000)
Depreciation	-	36,575,994	36,575,994
Depreciation charge for the year	-	(4,064,006)	(4,064,006)
Closing net book value	-	-	-
 <b>At June 30, 2021</b>			
Cost	-	-	-
Accumulated depreciation	-	-	-
Net book value	-	-	-
 Life (years)	-	-	-

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	2020		
	Machinery	Vehicles	Total
<i>(Rupees)</i>			
<b>At July 01, 2019</b>			
Cost	-	54,437,000	54,437,000
Accumulated depreciation	-	(47,730,994)	(47,730,994)
Net book value	-	<u>6,706,006</u>	<u>6,706,006</u>
Additions	-	-	-
Transfers			
Cost	-	(13,797,000)	(13,797,000)
Depreciation	-	11,272,400	11,272,400
	-	(2,524,600)	(2,524,600)
Disposals			
Cost	-	-	-
Depreciation	-	-	-
	-	-	-
Depreciation charge for the year	-	(117,400)	(117,400)
Closing net book value	<u>-</u>	<u>4,064,006</u>	<u>4,064,006</u>
<b>At June 30, 2020</b>			
Cost	-	40,640,000	40,640,000
Accumulated depreciation	-	(36,575,994)	(36,575,994)
Net book value	<u>-</u>	<u>4,064,006</u>	<u>4,064,006</u>
Life (years)	<u>-</u>	<u>3 to 5</u>	

## 15. PROPERTY AND EQUIPMENT

	Notes	2021 Rupees	2020 Rupees
Property and equipment - own use	15.1	67,934,637	68,444,659
Towers and allied equipment	15.2	350,000	350,000
		<u>68,284,637</u>	<u>68,794,659</u>

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## 15.1 Property and equipment - own use

	2021							
	Lease hold land - fuel station	Building - fuel station	Office premises - lease hold	Vehicles	Furniture and fixtures	Office Equipment	Computers	Total
(Rupees)								
<b>At July 01, 2020</b>								
Cost	63,848,000	8,399,474	963,178	42,500	2,004,827	3,396,074	2,388,488	81,042,541
Accumulated depreciation	-	(4,016,942)	(963,178)	(26,196)	(1,860,850)	(3,342,228)	(2,388,488)	(12,597,882)
<b>Net book value</b>	<b>63,848,000</b>	<b>4,382,532</b>	<b>-</b>	<b>16,304</b>	<b>143,977</b>	<b>53,846</b>	<b>-</b>	<b>68,444,659</b>
<b>Additions</b>								
<b>Disposals</b>								
Cost	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(419,976)	-	(8,496)	(40,079)	(41,471)	-	(510,022)
<b>Closing net book value</b>	<b>63,848,000</b>	<b>3,962,556</b>	<b>-</b>	<b>7,808</b>	<b>103,898</b>	<b>12,375</b>	<b>-</b>	<b>67,934,637</b>
<b>At June 30, 2021</b>								
Cost	63,848,000	8,399,474	963,178	42,500	2,004,827	3,396,074	2,388,488	81,042,541
Accumulated depreciation	-	(4,436,918)	(963,178)	(34,692)	(1,900,929)	(3,383,699)	(2,388,488)	(13,107,904)
<b>Net book value</b>	<b>63,848,000</b>	<b>3,962,556</b>	<b>-</b>	<b>7,808</b>	<b>103,898</b>	<b>12,375</b>	<b>-</b>	<b>67,934,637</b>
<b>Life (Years)</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>5</b>	<b>10</b>	<b>2 to 5</b>	<b>3</b>	<b> </b>
2020								
	Lease hold land - fuel station	Building - fuel station	Office premises - lease hold	Vehicles	Furniture and fixtures	Office Equipment	Computers	Total
(Rupees)								
<b>At July 01, 2019</b>								
Cost	63,848,000	8,399,474	963,178	42,500	2,004,827	3,396,074	2,388,488	81,042,541
Accumulated depreciation	-	(3,596,966)	(963,178)	(17,700)	(1,817,839)	(3,274,155)	(2,388,488)	(12,058,326)
<b>Net book value</b>	<b>63,848,000</b>	<b>4,802,508</b>	<b>-</b>	<b>24,800</b>	<b>186,988</b>	<b>121,919</b>	<b>-</b>	<b>68,984,215</b>
<b>Additions</b>								
<b>Disposals</b>								
Cost	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(419,976)	-	(8,496)	(43,011)	(68,073)	-	(539,556)
<b>Closing net book value</b>	<b>63,848,000</b>	<b>4,382,532</b>	<b>-</b>	<b>16,304</b>	<b>143,977</b>	<b>53,846</b>	<b>-</b>	<b>68,444,659</b>
<b>At June 30, 2020</b>								
Cost	63,848,000	8,399,474	963,178	42,500	2,004,827	3,396,074	2,388,488	81,042,541
Accumulated depreciation	-	(4,016,942)	(963,178)	(26,196)	(1,860,850)	(3,342,228)	(2,388,488)	(12,597,882)
<b>Net book value</b>	<b>63,848,000</b>	<b>4,382,532</b>	<b>-</b>	<b>16,304</b>	<b>143,977</b>	<b>53,846</b>	<b>-</b>	<b>68,444,659</b>
<b>Life (Years)</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>5</b>	<b>10</b>	<b>2 to 5</b>	<b>3</b>	<b> </b>

# Modaraba Al-Mali

## 15.1.1 Depreciation charge for the year

Notes	2021 Rupees	2020 Rupees
Operating expenses	25	80,010
Fuel station business	21	430,012
	<u><b>510,022</b></u>	<u><b>539,556</b></u>

## 15.1.2 The details of immovable property (i.e. land and building) in the name of the Modaraba is as follows:

Location	Usage of immovable property	Area
Gulshan-e-Maymar, Super Highway, Karachi	Fuel station	1,350 sq. yards

## 15.2 Towers and allied equipment

	2021		
	Towers with allied equipment	Other allied equipment	Total
----- <b>(Rupees)</b> -----			
<b>At July 01, 2020</b>			
Cost	2,216,553	2,127,811	4,344,364
Accumulated depreciation	(762,539)	(2,127,811)	(2,890,350)
Provision for impairment losses	(1,104,014)	-	(1,104,014)
<b>Net book value</b>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
<b>Additions</b>	-	-	-
<b>Disposals</b>			
Cost	-	-	-
Depreciation	-	-	-
Depreciation charge for the year	-	-	-
<b>Closing net book value</b>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
<b>At June 30, 2021</b>			
Cost	2,216,553	2,127,811	4,344,364
Accumulated depreciation	(762,539)	(2,127,811)	(2,890,350)
Provision for impairment losses	(1,104,014)	-	(1,104,014)
<b>Net book value</b>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
<b>Life (Years)</b>	<u>20</u>	<u>5</u>	

# Modaraba Al-Mali

	2020		
	Towers with allied equipment	Other allied equipment	Total
			(Rupees)
<b>At July 01, 2019</b>			
Cost	2,216,553	2,127,811	4,344,364
Accumulated depreciation	(762,539)	(2,127,811)	(2,890,350)
Provision for impairment losses	(1,104,014)	-	(1,104,014)
<b>Net book value</b>	<b>350,000</b>	<b>-</b>	<b>350,000</b>
<b>Additions</b>			
<b>Disposals</b>			
Cost	-	-	-
Depreciation	-	-	-
Depreciation charge for the year	-	-	-
<b>Closing net book value</b>	<b>350,000</b>	<b>-</b>	<b>350,000</b>
<b>At June 30, 2020</b>			
Cost	2,216,553	2,127,811	4,344,364
Accumulated depreciation	(762,539)	(2,127,811)	(2,890,350)
Provision for impairment losses	(1,104,014)	-	(1,104,014)
<b>Net book value</b>	<b>350,000</b>	<b>-</b>	<b>350,000</b>
<b>Life (Years)</b>	<b>20</b>	<b>5</b>	

**15.2.1** Towers and allied equipment is held as an idle asset and carried at impaired value.

## 16. CREDITORS, ACCRUED AND OTHER LIABILITIES

	Notes	2021 Rupees	2020 Rupees
Accrued liabilities	16.1	5,067,882	5,524,211
Charity and donation		65,456	63,965
Payable to provincial government	16.2	12,575	7,988
Advance from customers		-	-
Others		954,587	1,454,264
Ijarah rental received in advance		123,246	158,204
		<b>6,223,746</b>	<b>7,208,632</b>

**16.1** These include amount payable in respect of staff compensated absences amounting to Rs. 278,112 (2020: Rs. 437,777).

## Modaraba Al-Mali

- 16.2** The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of the Modaraba.

The Management Company has waived the management fee for the current year. Accordingly, no provision for the same has been made in these financial statements. However, the Modaraba has accrued Sindh Services Sales Tax on a notional amount of management fee calculated at 0.1% of the net annual profit.

		Notes	2021 Rupees	2020 Rupees
<b>17. SECURITY DEPOSITS</b>				
Security deposits		17.1	3,877,138	7,941,138
Less: Current portion of security deposits			<u>(3,762,138)</u>	<u>(7,841,138)</u>
Long term portion of security deposits			<u><b>115,000</b></u>	<u><b>100,000</b></u>

- 17.1** These represent amounts received under Ijarah Finance as security deposits, repayable / adjustable on the expiry of the Ijarah period.

**18. AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL**

2021 No. of Certificates	2020 No. of Certificates		2021 Rupees	2020 Rupees
<u><b>30,000,000</b></u>	<u><b>30,000,000</b></u>	Modaraba certificate of Rs. 10 each	<u><b>300,000,000</b></u>	<u><b>300,000,000</b></u>

**Issued, subscribed and paid-up certificate capital**

2021 No. of Certificates	2020 No. of Certificates		2021 Rupees	2020 Rupees
<u><b>13,569,000</b></u>	<u><b>13,569,000</b></u>	Modaraba certificate of Rs. 10 each fully paid in cash	<u><b>135,690,000</b></u>	<u><b>135,690,000</b></u>
<u><b>4,688,400</b></u>	<u><b>4,688,400</b></u>	Modaraba Certificates of Rs. 10 each issued as fully paid bonus certificates	<u><b>46,884,000</b></u>	<u><b>46,884,000</b></u>
<u><b>166,545</b></u>	<u><b>166,545</b></u>	Modaraba Certificates of Rs. 10 each issued on merger	<u><b>1,665,450</b></u>	<u><b>1,665,450</b></u>
<u><b>18,423,945</b></u>	<u><b>18,423,945</b></u>		<u><b>184,239,450</b></u>	<u><b>184,239,450</b></u>

- 18.1** BankIslami Modaraba Investments Limited (Modaraba Management Company) held 2,342,490 certificates (2020: 2,342,490 certificates) of Rs. 10 each, as at June 30, 2021.

- 18.2** Subsequent to the year end, the SECP vide its letter SC/M/RS/BankIslami/5/2021-21 dated July 19, 2021 has granted approval for increase in authorised capital from Rs. 300,000,000 to Rs. 800,000,000.

### **19. CAPITAL RESERVES**

Capital reserves include statutory reserve which represents profits set aside to comply with the Modaraba Regulations, 2021 issued by the SECP. 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 to the amount of the paid-up capital. Thereafter, a sum not less than 5% and not more than 20% of the after tax profit is to be transferred.

During the current year, the Modaraba has transferred an amount of Rs. 1,944,882 (2020: Rs. 3,721,405) which represents 20% (2020: 20%) of the profit after tax.

### **20. CONTINGENCIES AND COMMITMENTS**

#### **20.1 Contingencies**

There were no contingencies as at June 30, 2021 other than as mentioned below.

The Additional Commissioner of Income Tax (ACIT) amended the assessment for the tax year 2007, dismissing the exemption claimed by the Modaraba on the contention of non distribution of profit as per the provisions of the respective tax laws and created tax demand of Rs. 1.93 million. The Modaraba filed an appeal against the said order with the Commissioner of Income Tax (CIT) who in his order maintained the treatment of ACIT. The second appeal filed against the said order with the Appellate Tribunal Inland Revenue (the Tribunal) was also decided against the Modaraba. The Modaraba then filed an application to the Tribunal for a review of their decision, which has also been decided against the Modaraba during the year ended June 30, 2017. The Modaraba has again filed an application for review of their decision to the Tribunal and a reference in the High Court of Sindh. As at June 30, 2021 the application is pending for hearing before the High Court of Sindh. The management has good arguable case and is likely to be decided in its favour based on the advice of its consultant and therefore, no provision has been made in these financial statements.

#### **20.2 Commitments**

There were no commitments outstanding as at June 30, 2021 and June 30, 2020.

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		Notes	2021 Rupees	2020 Rupees
<b>21.</b>	<b>PROFIT FROM OPERATION OF FUEL STATION</b>			
	<b>Income</b>	21.1		
	Sale of fuel		<b>240,255,797</b>	240,803,413
	Cost of sales		<b>(231,771,670)</b>	(232,662,690)
			8,484,127	8,140,723
	Rental income	21.2	<b>1,726,400</b>	1,663,014
	Other income		-	210,936
			<b>10,210,527</b>	10,014,673
	<b>Expenses</b>			
	Salaries and allowances		<b>2,776,094</b>	2,694,708
	Generator fuel		154,502	198,794
	Depreciation		430,012	453,736
	Electricity		315,895	414,440
	Repairs and maintenance		718,177	1,172,401
	Printing and stationery		20,078	21,000
	Security guards		648,900	714,500
	Takaful expense		145,009	115,056
	Telephone		26,230	25,071
	Entertainment		30,880	17,970
	Rent, rates & taxes		250,102	249,309
	Miscellaneous		155,331	149,477
			<b>5,671,210</b>	6,226,462
	Profit before taxation		<b>4,539,317</b>	3,788,211
	Taxation		<b>(800,468)</b>	(684,479)
	Profit after taxation		<b>3,738,849</b>	3,103,732
<b>21.1</b>	Income relates to the operations of petrol and diesel filling / service station which started from October 3, 2010 under a retailer agreement with an oil marketing company. In accordance with the agreement, the Company has granted the right to the Modaraba to operate the fuel station and deal exclusively in petroleum products of the Company on a predetermined margin.			
<b>21.2</b>	The amount represents rent earned in respect of the plot of land used for fuel station under a lease deed dated August 13, 2009 with the oil marketing company. Initial term of the rent agreement is for fifteen years. The amount also includes rental income earned from operation of tuck shop and car wash facility.			
<b>22.</b>	This represents rental income earned from letting out vacant office premises (classified as investment property).			
<b>23.</b>	<b>OTHER INCOME</b>			
	Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		24,336	-
	Liabilities considered no longer payable written back		-	1,117,900
			<b>24,336</b>	<b>1,117,900</b>

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## 24. PROVISION FOR IMPAIRMENT LOSS

	2021							
	Property and equipment	Ijarah finance	Ijarah rentals	Morabaha finance	Operating lease rentals	Maintenance fee	Other receivables	Total
-----(Rupees)-----								
Opening balance	1,104,014	32,989,575	-	2,517,068	10,194,320	4,275,537	8,053,663	59,134,177
Provision during the year	-	-	-	-	-	-	-	-
Closing balance	<u>1,104,014</u>	<u>32,989,575</u>	-	<u>2,517,068</u>	<u>10,194,320</u>	<u>4,275,537</u>	<u>8,053,663</u>	<u>59,134,177</u>
	2020							
	Property and equipment	Ijarah finance	Ijarah rentals	Morabaha finance	Operating lease rentals	Maintenance fee	Other receivables	Total
-----(Rupees)-----								
Opening balance	1,104,014	32,989,575	6,782,496	2,517,068	10,194,320	4,275,537	8,053,663	65,916,673
Reversal during the year	-	-	(6,782,496)	-	-	-	-	(6,782,496)
Closing balance	<u>1,104,014</u>	<u>32,989,575</u>	-	<u>2,517,068</u>	<u>10,194,320</u>	<u>4,275,537</u>	<u>8,053,663</u>	<u>59,134,177</u>

25. ADMINISTRATIVE AND OPERATING EXPENSES	Notes	2021	
		Rupees	Rupees
Salaries, allowances and other benefits	25.1	1,483,253	1,445,308
Rent, rates and taxes		78,660	163,764
Depreciation		80,010	85,820
Fuel and conveyance		136,797	131,937
Repairs and maintenance		279,668	252,426
Legal and professional		1,932,613	1,594,278
Electricity		166,710	336,424
Telephone		161,514	174,591
Entertainment		36,563	38,605
Takaful		94,824	100,666
Printing and stationery		457,988	444,610
Auditor's remuneration	25.2	904,427	862,545
Subscription		452,530	427,078
Registrar services		296,302	301,802
Postage		110,414	118,179
Advertisement		136,200	140,365
Others	25.3	129,584	119,932
		<u>6,938,057</u>	<u>6,738,330</u>

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- 25.1** The aggregate amount charged in the financial statements for remuneration, including all benefits to the executive staff and other employees of the Modaraba were as follows:

	2021			2020		
	Officers	Other (key employees management personnel)	Total	Officers	Other (key employees management personnel)	Total
	(Rupees)					
Salaries	-	913,607	913,607	-	824,142	824,142
Retirement benefits						
Defined contribution plan -						
provident fund	-	48,309	48,309	-	54,192	54,192
House rent allowance	-	411,123	411,123	-	371,466	371,466
Conveyance and other allowances	-	110,214	110,214	-	195,508	195,508
	-	1,483,253	1,483,253	-	1,445,308	1,445,308
Number of employees at the end of year	-	4	4	-	2	2

- 25.1.1** One employee of the Modaraba is provided with free use of vehicle owned and maintained by the Modaraba.

25.2	Auditors' remuneration	2021	2020
		Rupees	Rupees
Statutory audit		374,220	374,220
Review report on statement of compliance with the Code of Corporate Governance		23,760	23,760
Review of the half yearly financial information		100,980	100,980
Other certifications		235,440	235,440
Out of pocket expenses		170,027	128,145
		<u>904,427</u>	<u>862,545</u>

- 25.3** This includes penalty imposed by the Securities and Exchange Commission of Pakistan amounting to Rs. 30,000 for non-compliance with the provisions of Anti Money Laundering Act, 2010.

- 26.** This represents charge in respect of Workers' Welfare Fund recognised in line with the requirements of Sindh Workers' Welfare Fund Act, 2014.

### **27. TAXATION**

- 27.1** As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. The Modaraba intends to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation for statutory reserves. Accordingly, no provision in respect of current and deferred tax has been made in these financial statements. The tax charged represents tax on purchase of fuel for fuel station which is covered under presumptive tax regime. This tax has been treated

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as a full and final tax charge.

The above exemption has been withdrawn with effect from July 1, 2021.

- 27.2 The income tax returns of the Modaraba have been filed upto the financial year ended June 30, 2020 which are deemed assessed under the Income Tax Ordinance 2001, unless selected for audit by taxation authorities.

		Note	2021 Rupees	2020 Rupees
<b>28.</b>	<b>EARNINGS PER CERTIFICATE - BASIC AND DILUTED</b>			
	Basic earnings per certificate is worked out as under:			
	Profit for the year after taxation		<u>33,785,837</u>	<u>18,607,024</u>
	Weighted average number of ordinary certificates outstanding during the year		<u>18,423,945</u>	<u>18,423,945</u>
	Earnings per certificate - basic & diluted	28.1	<u>1.83</u>	<u>1.01</u>

- 28.1 The figure for diluted earnings per certificate is the same as basic earnings per certificate as the Modaraba has not issued any instrument which would have an impact on basic earnings per certificate when exercised.

## 29. RELATED PARTY TRANSACTIONS

The related parties comprise of BankIslami Modaraba Investments Limited being the Modaraba Management Company, BankIslami Pakistan Limited being the former holding company of the Modaraba Management Company (a related party till the transfer of shares on February 15, 2021), major certificate holders and their family members, directors of the Modaraba Management Company and their close family members, key management personnel of the Modaraba and the Management Company and their close family members, the provident and gratuity funds and entities with common directors or under common management.

Contribution to the provident and gratuity funds are made in accordance with the services rules and actuary's advice respectively. Other transactions with related parties are in accordance with the agreed terms.

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**29.1 Details of transactions with related parties during the year are as follows:**

		2021 Rupees	2020 Rupees
BankIslami Pakistan Limited (Ex-holding company of the Modaraba Management Company)			
Profit on Islamic profit and loss sharing accounts	<u>645,129</u>	<u>1,556,005</u>	
Rental income	<u>7,749,699</u>	<u>5,929,547</u>	
Bank charges	<u>1,445</u>	<u>2,200</u>	
<b>BankIslami Modaraba Investments Limited (Modaraba Management Company)</b>			
Services sales tax on management fees	<u>4,587</u>	<u>2,558</u>	
<b>Citi Pharma Limited</b>			
Advance against IPO investment	<u>21,236,000</u>	<u>-</u>	
<b>Other transactions</b>			
Contributions to staff provident fund	<u>56,526</u>	<u>53,330</u>	
Contribution to staff gratuity fund	<u>45,380</u>	<u>-</u>	

**29.2** Following are the related parties with whom the Modaraba had entered into transactions or had arrangement / agreements in place.

S. No.	Company Name	Basis of relationship	Aggregate %age of shareholding
1	BankIslami Pakistan Limited	Ex Holding Company of Modaraba Management Company	Nil
2	AssetPlex Modaraba Management Limited (Formerly BankIslami Modaraba Investments Limited)	Modaraba Management Company	12.71
3	Citi Pharma Limited	Common directorship	Nil

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30. NUMBER OF EMPLOYEES	2021	2020
30.1 Number of employees at June 30		
- Permanent	4	2
- Contractual	<u>12</u>	<u>9</u>
	<u><u>16</u></u>	<u><u>11</u></u>
30.1.1 This includes 13 (2020: 8) number of fuel station employees.		
30.2 Average number of employees during the year		
- Permanent	3	2
- Contractual	<u>11</u>	<u>9</u>
	<u><u>14</u></u>	<u><u>11</u></u>
	2021 Rupees	2020 Rupees
<b>31. FINANCIAL INSTRUMENTS BY CATEGORY</b>		
<b>Financial assets as per balance sheet</b>		
<b>At amortised cost</b>		
Cash and bank balances	53,350,982	64,479,573
Ijarah Finance	3,755,007	3,755,007
Receivable against Ijarah rentals and maintenance services	-	12,647,513
Advances, deposits and other receivables	29,498,727	1,784,543
Diminishing Musharaka	4,190,176	11,747,274
<b>At fair value through profit or loss</b>		
Investments	<u>1,364,300</u>	-
	<u><u>92,159,192</u></u>	<u><u>94,413,910</u></u>
<b>Financial liabilities as per balance sheet</b>		
<b>At amortised cost</b>		
Creditors accrued and other liabilities	6,087,925	7,042,440
Security deposits - Ijarah	3,877,138	7,941,138
Unclaimed profit distribution	<u>9,649,240</u>	<u>8,406,113</u>
	<u><u>19,614,303</u></u>	<u><u>23,389,691</u></u>
<b>32. FINANCIAL RISK MANAGEMENT</b>		

The Modaraba's activities expose it to a variety of financial risks: market risk (including currency risk, fair value profit rate risk and price 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.

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

The Modaraba's principal financial liabilities comprise of Ijarah security deposits, creditors, accrued liabilities, unclaimed dividends and other liabilities. The Modaraba's principal financial assets comprise of Ijarah finance, receivables against Ijarah rentals and maintenance fee, Murabaha finance, Diminishing Musharaka finance, advances, deposits and other receivables, investments and cash and bank balances that arise directly from its operations.

## 32.1 Liquidity risk

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Modaraba will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. 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 stress conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation.

The table below analyses the Modaraba's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2021						Carrying Amount Cash flows
	Less than 6 months	6 months - 1 year	1 - 5 years	More than 5 years	Total Contractual Cash flows		
	(Rupees)						
Creditors, accrued and other liabilities	2,786,242	236,295	356,900	2,269,136	5,648,573	6,087,925	
Security deposits	3,762,138	-	115,000	-	3,877,138	3,877,138	
Unclaimed profit distribution	9,649,240	-	-	-	9,649,240	9,649,240	
	16,197,620	236,295	471,900	2,269,136	19,174,951	19,614,303	

	2020						Carrying Amount Cash flows
	Less than 6 months	6 months - 1 year	1 - 5 years	More than 5 years	Total Contractual Cash flows		
	(Rupees)						
Creditors, accrued and other liabilities	3,338,312	1,640,286	1,662,408	401,434	7,042,440	7,042,440	
Security deposits	7,841,138	-	100,000	-	7,941,138	7,941,138	
Unclaimed profit distribution	8,406,113	-	-	-	8,406,113	8,406,113	
	19,585,563	1,640,286	1,762,408	401,434	23,389,691	23,389,691	

# Modaraba Al-Mali

## 32.2 Credit risk and concentration of credit

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Modaraba controls credit risk by monitoring credit exposure, limiting transactions with specific counter parties and continually assessing the creditworthiness of counter parties.

The Modaraba is exposed to credit risk mainly from its deposits with banks and financial institutions and receivable against Ijarah rentals and maintenance services, Murabaha finance, Diminishing Musharaka finance and other receivables. However, investment in equity securities are not exposed to credit risk.

The Modaraba's maximum exposure to credit risk at June 30, 2021 and June 30, 2020 is the carrying amounts of following financial assets.

	2021 Rupees	2020 Rupees
Ijarah Finance	3,755,007	3,755,007
Receivable against Ijarah rentals and maintenance services	-	12,647,513
Bank balances	52,758,009	63,642,861
Advances, deposits, and other receivables	29,498,727	1,784,543
Diminishing Musharaka	4,190,176	11,747,274
	<u>90,201,919</u>	<u>93,577,198</u>

The Ijarah finance is secured against customers' security deposit.

The Modaraba had adopted a policy of dealing with creditworthy counterparties only. These parties are analysed based on the publicly available information i.e. credit ratings, financial statements and financial performance.

Credit risk from balances with banks and financial institutions is managed by finance department in accordance with the Modaraba's policy. Investments of surplus funds are made with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

The analysis below summarises the credit quality of the Modaraba's bank balances and investments.

Banks	Short Term	Long Term	2021 Rupees	2020 Rupees
BankIslami Pakistan Limited	A1	A+	-	61,700,000
Bank Alfalah Limited	A1+	AA+	1,646,420	1,870,636
Meezan Bank Limited	A1+	AAA	54,371	53,033
Dubai Islamic Bank Pakistan Limited	A1+	AA	5,105	5,001

There are no significant financial assets that are past due but not impaired.

## Modaraba Al-Mali

An analysis of the financial assets that are individually impaired as per the Modaraba Regulations 2021 is as under:

As at June 30, 2021					
OAEM	Substandard	Doubtful	Loss	Total	
(Rupees)					
Ijarah finance	-	-	-	44,235,946	<b>44,235,946</b>
Murabaha finance	-	-	-	2,517,068	<b>2,517,068</b>
Diminishing Musharaka	-	-	-	-	-
Other receivables	-	-	-	8,053,663	<b>8,053,663</b>
	-	-	-	<b>54,806,677</b>	<b>54,806,677</b>

As at June 30, 2020					
OAEM	Substandard	Doubtful	Loss	Total	
(Rupees)					
Ijarah finance	-	-	-	44,235,946	<b>44,235,946</b>
Murabaha finance	-	-	-	2,517,068	<b>2,517,068</b>
Diminishing Musharaka	1,445,954	-	-	-	<b>1,445,954</b>
Other receivables	-	-	-	8,053,663	<b>8,053,663</b>
	1,445,954	-	-	<b>54,806,677</b>	<b>56,252,631</b>

Total impairment against these assets as at June 30, 2021 is Rs. 54,806,677 (2020: Rs. 54,806,677).

The Modaraba manages credit risk and its concentration through diversification of activities to avoid undue concentration of risks with individuals, groups or specific industry segments.

### 32.2.1 Concentration of credit risk

Details of industrial sector analysis of Ijarah, Diminishing Musharaka and Murabaha investment portfolio is as under:

Sector	2021		2020	
	Rupees	%	Rupees	%
Financial Institutions	270,692	0.57%	270,692	0.46%
Distributors, Wholesellers and Retailers	26,140,311	54.92%	24,569,840	41.49%
Food, Tobacco and Beverages	540,945	1.14%	540,945	0.91%
Chemical, Fertilizer and Pharma	374,950	0.79%	374,950	0.63%
Textile and Garments	3,621,383	7.61%	3,621,383	6.12%
Steel, Engineering and Autos	669,417	1.41%	6,029,504	10.18%
Transport and Communication	1,300,563	2.73%	5,165,505	8.72%
Glass, Ceramics and Plastics	1,311,650	2.76%	1,311,650	2.22%
Misc. / Individuals	13,365,325	28.08%	17,331,871	29.27%
	<b>47,595,236</b>	<b>100%</b>	<b>59,216,340</b>	<b>100%</b>

### 32.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market profit rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Modaraba is exposed to market risk on its bank balances and investments in equity securities.

#### 32.3.1 Profit rate risk

The profit rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market profit rates. Majority of the profit rate exposure arises from short and long term borrowings from banks and short term deposits with banks. At the balance sheet date, the profit rate risk profile of the Modaraba's profit bearing financial instruments is as follows:

	2021 Rupees	2020 Rupees
<b>Profit bearing financial instruments</b>		
Bank balances	49,893,707	61,871,499

#### Fair value sensitivity analysis for profit bearing financial instruments

The Modaraba does not hold any of the above financial assets at fair value through profit or loss.

#### Profit bearing financial instruments

Had the profit rate varied by 100 basis points with all the other variables held constant, profit before tax for the year would have been approximately higher / lower by Rs. 41,578 (2020: Rs. 51,560).

#### 32.3.2 Currency risk

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, at present is not exposed to currency risk as all transactions are carried out in Pak Rupee.

#### 32.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, the Modaraba is exposed to price risk due to its investments in equity securities.

In case of 1% increase / decrease in KMI-30 index on June 30, 2021, with all other variables held constant, the total comprehensive income of the Modaraba for the year would increase / decrease by Rs. 13,643 (2020: Rs. Nil) and the net assets of the Modaraba would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

### 33. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As per the requirements of the IFRS 13, the Modaraba shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The Modaraba held the following assets measured at fair value:

	2021		
	Level 1	Level 2	Level 3
----- <i>(Rupees)</i> -----			
<b>Financial assets - measured at fair value</b>			
Fair value through profit or loss			
Investments in equity securities	1,364,300	-	-
<b>Non - financial assets - measured at fair value</b>			
Investment property *	-	-	96,616,000
	2020		
	Level 1	Level 2	Level 3
----- <i>(Rupees)</i> -----			
<b>Financial assets - measured at fair value</b>			
Fair value through profit or loss			
Investments in equity securities	-	-	-
<b>Non - financial assets - measured at fair value</b>			
Investment property *	-	-	72,090,400

- \* Investment property is carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in note 13.1 to these financial statements. The valuation experts used a market based approach to arrive at the fair value of the Modaraba's property. The approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot

# Modaraba Al-Mali

be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these financial statements.

The Modaraba recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The Modaraba's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity); and
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

## 34. INFORMATION ABOUT BUSINESS SEGMENTS

Management has determined the operating segments based on the information presented to the Chief Executive Officer of the Modaraba Management Company for allocation of resources and assessment of performance. Reporting structure of the Modaraba is based on this internal management reporting structure. The Modaraba is organised into the following reportable operating segments:

<b>Financing / Investments</b>	Ijarah, Murabaha, Diminishing Musharaka, Term Deposit Receipts and Investments.
<b>Fuel station</b>	Petrol and diesel filling / service station

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## SEGMENT RESULTS

	2021		
	Financing / Investments	Fuel station	Total
Revenue			
	4,736,594	10,210,527	14,947,121
Administrative and general expense	-	(5,671,210)	(5,671,210)
Segment results before tax	4,736,594	4,539,317	9,275,911

	2020		
	Financing / Investments	Fuel station	Total
Revenue			
	5,920,199	10,014,673	15,934,872
Administrative and general expense	(117,400)	(6,226,462)	(6,343,862)
Reversal of provision against doubtful Ijarah rentals	6,782,496	-	6,782,496
Segment results before tax	12,585,295	3,788,211	16,373,506

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	2021	2020
	Rupees	Rupees
<b>Reconciliation of segment results - revenue</b>		
Total revenue for reportable segments	14,947,121	15,934,872
Rental income	7,749,699	5,929,547
Income on deposits with Islamic bank	645,129	1,510,868
Fair value adjustment on investment property	24,525,600	1,486,400
<b>Total revenue</b>	<b>47,867,549</b>	<b>24,861,687</b>
<b>Reconciliation of segment results - profit before tax</b>		
Segment results before tax	9,275,911	16,373,506
Other income*	32,944,764	10,044,715
<b>Operating expenses:</b>		
Salaries, allowances and other benefits	(1,483,253)	(1,445,308)
Depreciation	(80,010)	(85,820)
Workers' welfare fund	(691,726)	(385,830)
Fuel and conveyance	(136,797)	(131,937)
Other unallocated operating expenses	(5,242,584)	(5,077,823)
Profit before tax for the year	<b>34,586,305</b>	<b>19,291,503</b>

\* Other income includes rental income, income on deposits with Islamic bank and fair value adjustment on investment property and they are not allocable to any segment.

	2021		
	Financing / Investments	Fuel station	Total
----- <i>(Rupees)</i> -----			
<b>Assets and liabilities</b>			
Total assets	9,309,483	70,205,500	79,514,983
Total liabilities	<u>4,000,384</u>	<u>-</u>	<u>4,000,384</u>
----- <i>(Rupees)</i> -----			
	2020		
	Financing / Investments	Fuel station	Total
----- <i>(Rupees)</i> -----			
<b>Assets and liabilities</b>			
Total assets	32,213,800	70,542,657	102,756,457
Total liabilities	<u>8,099,342</u>	<u>-</u>	<u>8,099,342</u>

# Modaraba Al-Mali

	Assets	
	2021	2020
	Rupees	Rupees
<b>Reconciliation of segments' assets and liabilities</b>		
Total for reportable segments	79,514,983	102,756,457
Tax refunds due from government	27,359,468	29,386,162
Property and equipment	474,081	564,127
Cash and bank balance	53,350,982	64,479,573
Investment property - at fair value	96,616,000	72,090,400
Other advances, deposits, prepayments, other assets and receivables	<u>32,076,426</u>	3,038,833
Total as per balance sheet	<u>289,391,940</u>	<u>272,315,552</u>
 <b>Liabilities</b>		
	2021	2020
	Rupees	Rupees
Total for reportable segments	4,000,384	8,099,342
Unclaimed profit distribution	9,649,240	8,406,113
Other creditors, accrued and other liabilities	<u>6,100,500</u>	7,050,428
Total as per balance sheet	<u>19,750,124</u>	<u>23,555,883</u>

## OTHER INFORMATION

	2021			
	Financing / Investments	Fuel station	Unallocated	Consolidated
(Rupees)-				
Depreciation	-	430,012	80,010	510,022
Salaries, allowances and other benefits	-	2,776,094	2,174,979	4,951,073
Rent, rates and taxes	-	250,102	78,660	328,762
Advertisement	-	-	136,200	136,200
Income tax	-	800,468	-	800,468
	2020			
	Financing / Investments	Fuel station	Unallocated	Consolidated
(Rupees)-				
Depreciation	117,400	453,736	85,820	656,956
Salaries, allowances and other benefits	-	2,694,708	1,831,138	4,525,846
Rent, rates and taxes	-	249,309	163,764	413,073
Advertisement	-	-	140,365	140,365
Income tax	-	684,479	-	684,479

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## 35. CAPITAL RISK MANAGEMENT

The Modaraba manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders.

The Modaraba manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. It is the Modaraba's practice to distribute at least 90% of the profit earned during the period to its certificate holders in order to avail tax exemption under clause 100 of Part I of the Second Schedule to Income Tax Ordinance 2001. However in order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit distributable to certificate holders or issue new certificates.

The Modaraba is not subject to externally imposed capital requirements.

## 36. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Modaraba Management Company in their meeting held on 4th October, 2021 has approved final cash dividend of 0.37 per certificate. The financial statements of the Modaraba for the year ended June 30, 2021 do not include the effect of the final dividend which will be accounted for in the financial statements of the Modaraba for the year ending June 30, 2022.

## 37. GENERAL

37.1 The figures in these financial statements have been rounded off to the nearest Rupee.

### 37.2 Corresponding Figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. No significant reclassifications have been made during the year.

## 38. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Modaraba Management Company on September 27, 2021.

**For AssetPlex Modaraba Management Limited**  
(Formerly BankIslami Modaraba Investments Limited)  
**(Modaraba Management Company)**

**Chief Financial Officer**  
For AssetPlex Modaraba Management Limited  
(Formerly BankIslami Modaraba Investments Limited)  
(Modaraba Management Company)

**Chief Executive Officer**  
For AssetPlex Modaraba Management Limited  
(Formerly BankIslami Modaraba Investments Limited)  
(Modaraba Management Company)

**Director**  
For AssetPlex Modaraba Management Limited  
(Formerly BankIslami Modaraba Investments Limited)  
(Modaraba Management Company)

**Director**  
For AssetPlex Modaraba Management Limited  
(Formerly BankIslami Modaraba Investments Limited)  
(Modaraba Management Company)

**PATTERN OF CERTIFICATE HOLDING**

As at June 30, 2021

Number of Certificate Holding	Certificate Holding		To Certificate Held	Percentage %
	From	To		
1989	1	100	40,993	0.22
575	101	500	158,429	0.86
288	501	1000	221,495	1.20
456	1001	5000	1,035,585	5.62
91	5001	10000	684,585	3.72
38	10001	15000	481,533	2.61
12	15001	20000	209,101	1.13
12	20001	25000	280,161	1.52
6	25001	30000	159,363	0.86
6	30001	35000	198,176	1.08
4	35001	40000	154,479	0.84
2	40001	45000	88,370	0.48
7	45001	50000	339,283	1.84
1	50001	55000	55,000	0.30
1	55001	60000	55,786	0.30
3	60001	65000	189,534	1.03
1	65001	70000	66,999	0.36
2	70001	75000	148,338	0.81
1	75001	80000	77,500	0.42
1	80001	85000	83,324	0.45
2	95001	100000	195,110	1.06
1	100001	105000	102,047	0.55
1	105001	110000	106,000	0.58
1	110001	115000	114,660	0.62
2	120001	125000	243,432	1.32
1	135001	140000	135,716	0.74
2	140001	145000	287,000	1.56
1	160001	165000	162,000	0.88
1	165001	170000	168,500	0.91
1	180001	185000	182,500	0.99
1	250001	255000	250,488	1.36
1	375001	380000	379,500	2.06
1	400001	405000	405,000	2.20
1	495001	500000	499,782	2.71
1	705001	710000	708,029	3.84
1	780001	785000	782,015	4.24
1	885001	890000	885,487	4.81
1	1420001	1425000	1,421,250	7.71
1	1840001	1845000	1,842,395	10.00
1	2180001	2185000	2,183,000	11.85
1	2640001	2645000	2,642,000	14.34
<b>3520</b>			<b>18,423,945</b>	<b>100</b>

## Categories of Ceartificate Holders

As at June 30, 2021

Categories of Ceartificate Holders	Number	Certificates Held	Percentage %
<b>Associated Companies, Undeartakings, and Related Parties.</b>			
AssetPlex Modaraba Management Company(Formerly BankIslami Modaraba Investments Ltd.,	1	2,342,490	12.714
<b>Sub Total</b>	<b>1</b>	<b>2,342,490</b>	<b>12.714</b>
<b>N.I.T. &amp; I.C.P.</b>			
Invesment Corporation of Pakistan	3	1,494	0.008
National Bank of Pakistan Trustee Department	11	14,295	0.078
IDBP (ICP Unit)	1	498	0.003
<b>Directors,Chief Executive Officer and their Spouse and Minor Children</b>			
<b>Sub Total</b>	<b>15</b>	<b>16,287</b>	<b>0.088</b>
<b>Public Sestor Company &amp; Corporation</b>			
Banks, Development Finance Institutions, Non-Banking Financial Institutions, Insurance Companies, Modaraba's and Mutul Funds	16	1,451,575	7.879
Joint Stock Companies & Others	35	528,694	2.870
Individuals	3,453	14,084,899	76.449
<b>Sub Total</b>	<b>3,504</b>	<b>16,065,168</b>	<b>87.197</b>
<b>Total</b>	<b>3,520</b>	<b>18,423,945</b>	<b>100.000</b>

### NOTICE OF ANNUAL REVIEW MEETING

Notice is hereby given that the 22nd Annual Review Meeting of certificate holders of Modaraba Al-Mali will be held on Tuesday, the 27th October 2021 at 03:00 p.m. at 602, 6th Floor, Progressive Centre, PECHS, Sharae Faisal, Karachi to review the performance of the Modaraba for the year ended June 30, 2021 in terms of clause 20 of the Prudential Regulations for Modaraba issued vide Circular number 4/2004 by Registrar Modaraba Companies and Modarabas.

**Rashid Matin Khan**  
Company Secretary

Date: September 27, 2021

**Note:**

1. The Modaraba Certificate transfer book shall remain closed from Friday, 22nd October, 2021 to Friday, 29th October, 2021 (both days inclusive) to determine the names of Certificate Holders entitled to receive dividend and to attend the Annual Review Meeting. Transfers received in order at the registrar's office of the Modaraba up to the close of the business on Thursday, 21st October 2021 will be treated in time for the entitlement of profit distribution and to attend Annual Review Meeting.
2. The certificate holders are advised to notify to the registrar of Modaraba Al-Mali, any change in their addresses.
3. CDC certificate holders desiring to attend the meeting are requested to bring their original NIC, Account, and Participant's ID number, for identification purpose.

### اطلاع برائے سالانہ جائزہ اجلاس

بذریعہ ہذا اطلاع دی جاتی ہے کہ مضاربہ المالی کے سٹریفیکٹ ہولڈرز کا بائیکو اس سالانہ جائزہ اجلاس ۲۷ اکتوبر ۲۰۲۱ء کو سہ پہر ۳:۰۰ بجے کمرہ نمبر ۲۰۲، چھٹی منزل، پروگریسیو سینٹر، ۳۔۱، بلاک نمبر ۲، شارع فیصل، کراچی میں منعقد ہوگا جس میں رجسٹر ارمضاربہ کے سرکار نمبر ۲۰۰۲۳/۲۰۰۲ اور پروڈینشنل ریکارڈیشن کے شق ۲۰ کے تحت، ۳۰ جون ۲۰۲۱ء کو ختم ہونے والے سال میں مضاربہ کی کارکردگی کا جائزہ لیا جائے گا۔

راشد متنی خان

سمپنی سکریٹری

۲۷ ستمبر ۲۰۲۱ء

کراچی

۱۔ سٹریفیکٹس ٹرانسفر بکس ۲۲ اکتوبر، ۲۰۲۱ء سے ۱۲۹ اکتوبر، ۲۰۲۱ء تک (بیشمول دونوں ایام) بند رہیں گی تاکہ اجلاس میں شرکت اور ڈویڈنٹ کے حقدار کا تعین ہو سکے۔ سٹریفیکٹ منتقلی کے لیے بروز جمعرات ۲۱ اکتوبر، ۲۰۲۱ء کا روابری اوقات ختم ہونے سے پہلے تک مضاربہ المالی کے رجسٹر آفیس میں موصول ہونے والی تمام درخواست سالانہ جائزہ اجلاس میں شرکت اور ڈویڈنٹ کی تقسیم کے لیے بروقت تصور کی جائیں گی۔

۲۔ سٹریفیکٹ ہولڈرز سے درخواست ہے کہ اگر ان کے ایئر لیس میں کوئی تبدیلی ہو تو رجسٹر اکاؤنٹ کاہ کریں۔

۳۔ سی ڈی سی سٹریفیکٹ ہولڈرز جو اجلاس میں شرکت کرنا چاہتے ہیں، اپنے ساتھ اصل شناختی کارڈ، اکاؤنٹ اور پارٹیپینٹ آئی ڈی نمبر لازمی لائیں۔



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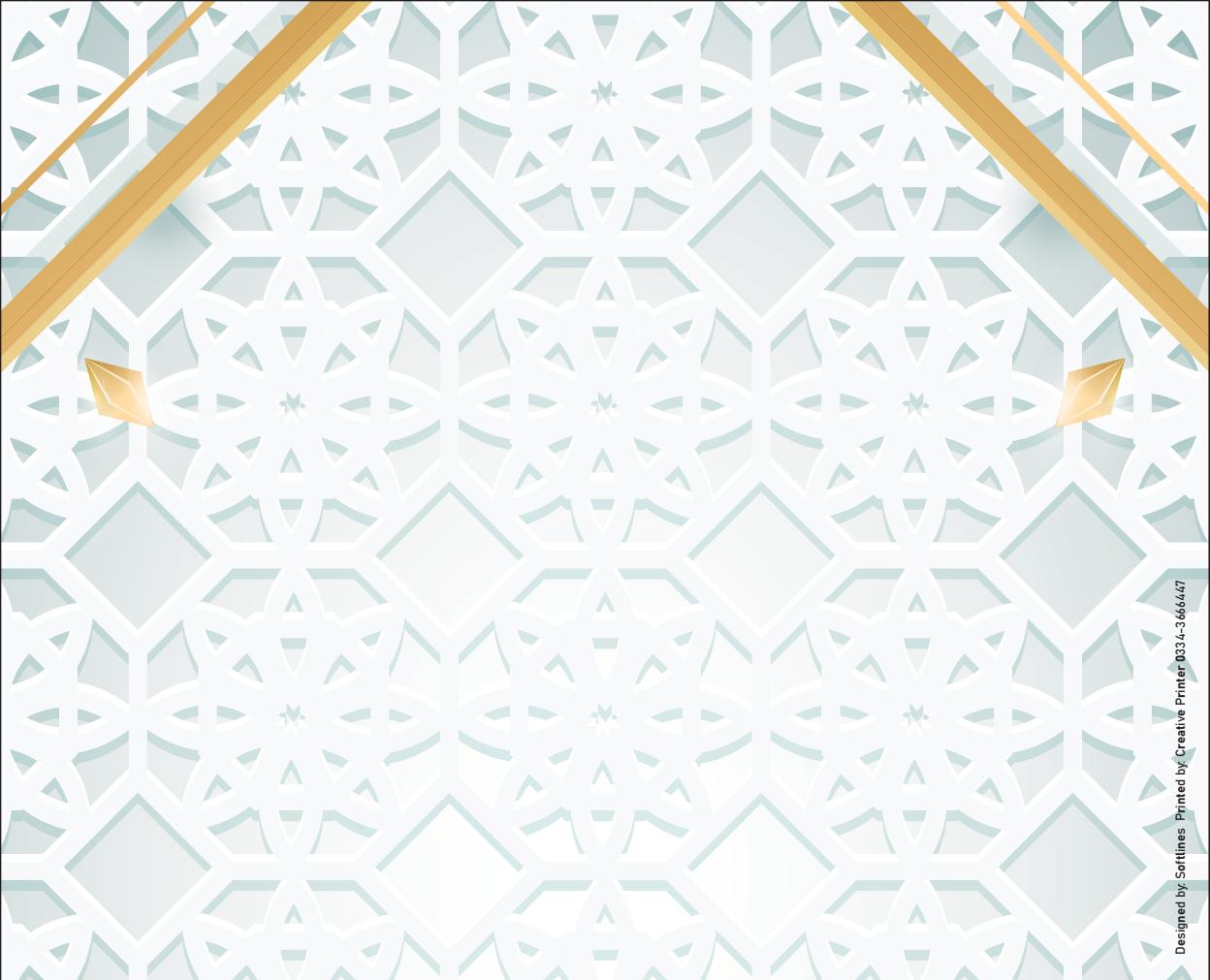


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\*Mobile apps are also available for download for android and ios devices



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