

QUARTERLY REPORT

September 30, 2022



ORIENT
RENTAL MODARABA

FOCUSED ON SOLUTIONS

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Modaraba Information

Modaraba Management Company
Eman Management (Private) Limited

Directors of Modaraba Management Company
Chaudhry Jawaid Iqbal
Chairman

Mr. Teizoon Kisat
Chief Executive

Mr. Joozer Jiwa Khan
Non-Executive Independent Director

Mr. Nasim Ahmed
Non-Executive Director

Mr. Giasuddin Khan
Non-Executive Director

Ms. Saba Ahmed Agrawalla
Non-Executive Independent Director

Audit Committee
Mr. Joozer Jiwa Khan
Chairman

Mr. Nasim Ahmed
Member

Chaudhry Jawaid Iqbal
Member

Ms. Saba Ahmed Agrawalla
Member

Risk Management Committee
Ms. Saba Ahmed Agrawalla
Chairperson

Chaudhry Jawaid Iqbal
Member

Mr. Giasuddin Khan
Member

Mr. Teizoon Kisat
Member

Chief Financial Officer
Ms. Effat Assad

Company Secretary
Mr. Muhammad Farukh

Head of Internal Audit
Ms. Mahnoor Zulfiqar

Human Resource and Remuneration Committee
Mr. Joozer Jiwa Khan
Chairman

Mr. Nasim Ahmed
Member

Mr. Teizoon Kisat
Member

Sharia Advisor
Alhamd Shahriah Advisory Services (Pvt) Ltd.

Auditors
Yousuf Adil

Legal Advisor
Mr. M Hashim Lodhi

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

Registered Office
Plot # 9, Sector 24
Korangi Industrial Area, Karachi

Registrar & Share Registration Office
CDC Share Registrar Services Limited
CDC House, 99-B, Block B, SMCHS
Main Shahr-e-Faisal, Karachi

Vision:

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

Mission:

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

DIRECTORS' REPORT

The Board of Directors of EMAN Management (Pvt.) Limited ("EMAN"), the Management Company of Orient Rental Modaraba ("Modaraba") is pleased to present the unaudited condensed interim financial statements of the Modaraba for first quarter ended September 30, 2022.

Financial Highlights and Business Review:

		First quarter ended September 30, 2022	First quarter ended September 30, 2021
Financial Highlights		Rupees	Rupees
Revenue		443,848,242	381,170,995
Operating Expenses		(344,206,876)	(302,261,212)
Gross Profit		99,641,366	78,909,783
Other Expenses - Net		(27,933,461)	(26,582,561)
Profit before Management Fee		71,707,905	52,327,222
Management Company's Remuneration and other provision		(9,375,092)	(6,841,261)
Profit before taxation		62,332,813	45,485,961
Taxation		(26,111,331)	(10,683,841)
Profit after taxation		36,221,482	34,802,120
Earnings per Certificate – Basic and Diluted		0.48	0.46
Breakup value per Certificate		14.69	12.40

The Modaraba recorded profit after tax at Rs. 36.2 million for the first quarter of FY 2023 compared to Rs. 34.8 million earned in the same period last year. Gross revenue at Rs. 443.8 million was 16.4 percent higher than Rs. 381.17 million in the same period last year. The Modaraba's operating segments, rental and maintenance, both have contributed to the increase in revenue. Operating expenses at Rs. 344.2 million (September 2021: Rs. 302.3 million) were higher by 13.9 percent mainly due to inflation, annual review of salaries and rising cost of parts and lubricants due to devaluation of Pak Rupees. The Modaraba's gross profit increased from Rs. 78.9 million earned in the last period to Rs. 99.6 million in the current period an increase of 26.2 percent. Other expenses at Rs. 27.9 million (September 2021: Rs. 26.6 million) were 5.1 percent higher in comparison to same period last year.

Profit before tax for the current period at Rs. 62.3 million was 37.0 percent higher than Rs. 45.5 million in the comparative period last year. The after-tax profit for the period Rs. 36.2 million increased the earnings per certificate to Rs. 0.48 from Rs. 0.46 in the comparative period last year.

Future Outlook

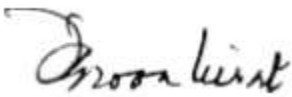
The Country's economy is expected to grow by only 2 percent in the current fiscal year ending June 2023 mainly due to damages caused by catastrophic floods, tight monetary policy, high inflation and less conducive global environment. On the positive side, the balance of payments for the first quarter of Fiscal 2023 is encouraging for the stability of the economy primarily due to decrease in imports by 11% as compared to last year. Exports during the quarter July to September 2022 were marginally higher than last year. Another good news for the Country was its removal from grey list after more than four years.

The ongoing political instability and unprecedented losses due to floods may result in severe challenges in the months ahead. Henceforth, given the above-mentioned scenario, it is crucial for the management to remain prudent and cautious. With respect to major barriers imposed, including but not limited to the uncertainties on economic front, higher inflation, risk from disruption of gas supplies to the industry and the depreciation of Pak rupee; these factors are justifiably deemed to have direct effect on the cost of operations.

Acknowledgement

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

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



Chief Executive Officer



Chairman

October 28, 2022



FOCUSED ON SOLUTIONS

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2022**

		(Un-audited)	(Audited)
		September 30, 2022	June 30, 2022
	Note	(Rupees)	(Rupees)
ASSETS			
Non-current assets			
Fixed assets	4	1,412,380,117	1,403,888,865
Intangible assets	5	-	56,501
Long term deposits		4,698,000	4,698,000
		1,417,078,117	1,408,643,366
Current assets			
Stores, spares and loose tools	6	86,034,494	86,072,705
Trade receivables	7	334,904,367	283,613,199
Loans, advances and other receivable	8	84,186,248	87,449,266
Tax refundable due from Government	9	111,382,460	111,382,460
Cash and bank balances	10	110,075,853	74,536,906
		726,583,422	643,054,536
TOTAL ASSETS		2,143,661,539	2,051,697,902
EQUITY AND LIABILITIES			
Capital and reserves			
Authorised capital			
75,000,000 certificates of Rs. 10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up certificate capital	11	750,000,000	750,000,000
Unappropriated profit		189,714,822	153,493,340
Statutory reserve	12	162,258,770	162,258,770
		1,101,973,592	1,065,752,110
Non-current liabilities			
Diminishing musharaka financing	13	125,092,008	165,437,052
Lease liability	14	-	1,303,369
Deferred taxation	15	54,206,317	51,380,102
		179,298,325	218,120,523
Current liabilities			
Current maturity of diminishing musharaka financing	13	227,387,062	265,610,373
Current portion of lease liability	14	12,571,032	14,782,780
Creditors, accrued and other liabilities	16	601,382,514	471,828,377
Unclaimed dividend		161,844	161,844
Taxation – net	17	20,887,170	15,441,895
		862,389,622	767,825,269
TOTAL EQUITY AND LIABILITIES		2,143,661,539	2,051,697,902
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Director

Director

Chief Financial Officer

Quarterly Report September 30, 2022

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	Note	QUARTER ENDED	
		September 30, 2022 (Rupees)	September 30, 2021 (Rupees)
Ijarah rentals – net		278,850,555	258,042,660
Operation and maintenance income – net		164,997,687	123,128,335
		443,848,242	381,170,995
Operating expenses		(344,206,876)	(302,261,212)
		99,641,366	78,909,783
Administrative and marketing expenses		(13,574,449)	(11,695,672)
Other income		2,041,776	2,101,829
Finance cost		(16,400,788)	(16,140,305)
Provision against potential ijarah losses and operation and maintenance income		-	(848,413)
		(27,933,461)	(26,582,561)
		71,707,905	52,327,222
Modaraba Management Company's fee	19	(7,170,791)	(5,232,722)
Provision for Sindh Sales tax on Modaraba Management fee	19	(932,203)	(680,254)
Provision for Sindh Workers' Welfare Fund		(1,272,098)	(928,285)
Profit before taxation		62,332,813	45,485,961
Taxation	20	(26,111,331)	(10,683,841)
Profit for the period		36,221,482	34,802,120
Earnings per certificate – basic and diluted		0.48	0.46

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

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


Chief Executive Officer


Director


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	QUARTER ENDED	
	September 30, 2022 (Rupees)	September 30, 2021 (Rupees)
Profit for the period	36,221,482	34,802,120
Other comprehensive income	-	-
Total comprehensive income for the period	<u>36,221,482</u>	<u>34,802,120</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

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


Chief Executive Officer


Director


Director


Chief Financial Officer



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**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	September 30, 2022 (Rupees)	September 30, 2021 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	62,332,813	45,485,961
Adjustment for non-cash and other items:		
Depreciation	56,457,970	53,776,144
Amortization on intangible assets	56,501	104,796
Provision against potential ijarah losses and operation and maintenance income	-	848,413
Finance costs	16,400,788	16,140,305
Provision for Sindh Workers' Welfare Fund	1,272,098	928,285
Profit on bank deposits	(2,041,776)	(2,101,829)
	72,145,581	69,696,114
Operating profit before working capital changes	134,478,394	115,182,075
Decrease / (increase) in current assets		
Stores, spares and loose tools	38,211	12,700,460
Trade receivables	(51,291,168)	(51,654,959)
Loans, advances and other receivable	3,263,018	(32,584,154)
	(47,989,939)	(71,538,653)
Increase in current liabilities		
Creditors, accrued and other liabilities	129,868,716	56,263,664
Finance costs paid	(17,987,465)	(9,842,190)
Tax (paid) / refunded – net	(17,839,842)	(16,150,467)
Net cash generated from operating activities	180,529,864	73,914,429
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to fixed assets	(64,949,222)	(37,116,001)
Addition to Intangible assets	-	-
Profit on bank deposits	2,041,776	1,984,643
Net cash used in investing activities	(62,907,446)	(35,131,358)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of diminishing musharaka financing	(78,568,354)	(41,934,114)
Repayment of lease liability	(3,515,117)	(3,237,853)
Dividend paid	-	(8,246)
Net cash used in financing activities	(82,083,471)	(45,180,213)
Net (decrease) / increase in cash and cash equivalents	35,538,947	(6,397,142)
Cash and bank balances at beginning of period	74,536,906	166,203,981
Cash and bank balances at end of period	110,075,853	159,806,839

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

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


Chief Executive Officer


Director


Director


Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	Paid-up certificate capital (Rupees)	Statutory reserve * (Rupees)	Unappropriated profit (Rupees)	Total (Rupees)
Balance as at July 01, 2021	750,000,000	128,232,105	92,386,680	970,618,785
Profit for the period	-	-	34,802,120	34,802,120
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	34,802,120	34,802,120
Transaction with owners				
Profit distribution for the year ended June 30, 2021 @ Re. 1.00 per certificate	-	-	(75,000,000)	(75,000,000)
Balance as at September 30, 2021	<u>750,000,000</u>	<u>128,232,105</u>	<u>52,188,800</u>	<u>930,420,905</u>
Balance as at July 01, 2022	750,000,000	162,258,770	153,493,340	1,065,752,110
Profit for the period	-	-	36,221,482	36,221,482
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	36,221,482	36,221,482
Transaction with owners				
Profit distribution for the year ended June 30, 2022 @ Re. Nil per certificate	-	-	-	-
Balance as at September 30, 2022	<u>750,000,000</u>	<u>162,258,770</u>	<u>189,714,822</u>	<u>1,101,973,592</u>

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

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

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


Chief Executive Officer


Director


Director


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1. NATURE AND STATUS OF BUSINESS

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

The Modaraba is primarily engaged in the business of ijarah, operation and maintenance services.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 - Interim Financial Reporting, Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Act, 2017 and made applicable to Modarabas, Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) ['the Modaraba Regulations'].

Wherever the requirements of 'the Modaraba Regulations' differ from the requirements of International Accounting Standard (IAS) 34 - Interim Financial Reporting and Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Act, 2017 and made applicable to Modarabas, requirements of 'the Modaraba Regulations' have been followed.

- 2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Modaraba for the year ended June 30, 2022.
- 2.1.3 The comparative balance sheet presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2022, whereas the comparative condensed interim profit and loss account, condensed interim

statement of comprehensive income, condensed interim cash flows statement, condensed interim statement of changes in equity of the Modaraba are extracted from the unaudited condensed interim financial statements for the quarter ended September 30, 2021.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention.

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

2.3 Functional and presentation currency

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Modaraba operates. These condensed interim financial statements are presented in Pakistani Rupees which is the Modaraba's functional and presentation currency.

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

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENT AND CHANGES THEREIN

- 3.1 The accounting policies adopted for the preparation of the condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Modaraba for the year ended June 30, 2022
- 3.2 The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.
- 3.3 The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty, other than disclosed in note 3.6, are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.
- 3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Modaraba's accounting period beginning on or after July 01, 2022. These standards, interpretations and amendments are either not relevant to the Modaraba's operations or are not expected to have a significant effect on these condensed interim financial statements.
- 3.5 The Modaraba's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Modaraba for the year ended June 30, 2022.

- 3.6 Generators and certain machinery are depreciated on straight line method. Depreciation on actual hours used has been discontinued from the beginning of the financial year. Had there been no change in estimate, depreciation expense would have been lower by Rs. 0.804 million and the profit would have been higher by Rs. 0.7 million.

		Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
	Note		
4. FIXED ASSETS			
Operating fixed assets	4.1 & 4.2	1,393,813,777	1,381,843,353
Capital work-in-progress	4.3	6,969,104	6,969,104
Right-of-use asset – leasehold land	4.4	11,597,236	15,076,408
		<u>1,412,380,117</u>	<u>1,403,888,865</u>
4.1	It includes generator acquired during the period by the Modaraba amounting to Rs. 18.9 million (June 30, 2022: Rs. 26.156 million) from Orient Energy Systems (Private) Limited an associated Company		

		Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
	Note		
4.2 Operating fixed assets			
Written Down Value (WDV) – opening		1,381,843,353	1,431,051,157
Additions during the period / year - at cost			
Ijarah			
Generators		24,988,550	142,420,048
Accessories		-	21,665,497
Machinery and Equipment		39,367,544	10,000,000
		64,356,094	174,085,545
Own use			
Electronic Appliances		593,128	2,435,156
Leasehold improvements		-	3,697,605
Motor Vehicle		-	450,683
Furniture and fixtures		-	58,700
		593,128	6,642,144
WDV of disposals during the period / year		-	(20,159,510)
Depreciation charge during the period / year		(52,978,798)	(209,775,983)
		(52,978,798)	(229,935,493)
		<u>1,393,813,777</u>	<u>1,381,843,353</u>
4.3 Capital Work-In-Progress			
Generators under overhauling	4.3.1	<u>6,969,104</u>	<u>6,969,104</u>
4.3.1 Period ended March 31, 2022			
Opening balance		6,969,104	17,462,219
Additions during the period / year - at cost		-	105,575,047
Transferred to operating fixed assets		-	(116,068,162)
Closing balance		<u>6,969,104</u>	<u>6,969,104</u>

	<u>Note</u>	<u>Un-audited September 30, 2022 (Rupees)</u>	<u>Audited June 30, 2022 (Rupees)</u>
4.4 Right-of-use-asset - Leasehold land			
The recognised right-of-use assets relate to the following types of asset:			
Leasehold land		11,597,236	15,076,408
Balance as at July 1,		15,076,408	1,009,615
Additions during the period		-	27,833,372
Depreciation charge during the period / year		(3,479,172)	(13,766,579)
		<u>11,597,236</u>	<u>15,076,408</u>
5 INTANGIBLE ASSETS			
Software and licenses	5.1	-	56,501
5.1 Net carrying value basis			
Opening net book value		56,501	475,685
Additions during the period / year - at cost		-	-
Amortization charge during the period / year		(56,501)	(419,184)
Closing net book value		<u>-</u>	<u>56,501</u>
6 STORES, SPARES AND LOOSE TOOLS			
Stores, spares and loose tools	6.1	<u>86,034,494</u>	<u>86,072,705</u>
6.1 Spare parts and loose tools consists of items related to generators and machines.			

			Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
	Note			
7		RECEIVABLES		
		(Unsecured)		
		Ijarah rental receivables	199,559,629	168,767,429
		Operation and maintenance receivables	135,344,738	114,845,770
			<u>334,904,367</u>	<u>283,613,199</u>
7.1		Ijarah rental receivables		
		Considered good	199,589,725	167,176,947
		Non-performing portfolio (classified portfolio)	12,112,068	13,732,646
		Less: Provision against potential ijarah losses	(7,147,030)	(10,015,156)
			4,965,038	3,717,490
		Less: Estimated Credit Loss	(4,995,134)	(2,127,008)
			<u>199,559,629</u>	<u>168,767,429</u>
7.1.1		Provision against potential ijarah losses		
		Opening balance	12,142,164	22,097,351
		Charged during the period / year	-	7,792,648
		Written off during the period / year	-	(17,747,835)
		Reversal during the period / year	-	-
		Closing balance	<u>12,142,164</u>	<u>12,142,164</u>
7.2		Operation and maintenance receivables		
		Considered good	136,865,933	117,439,372
		Non-performing portfolio (classified portfolio)	7,546,475	6,474,068
		Less: Provision against potential loss	(3,570,360)	(3,094,512)
			3,976,115	3,379,556
		Less: Estimated Credit Loss	(5,497,310)	(5,973,158)
			<u>135,344,738</u>	<u>114,845,770</u>
7.2.1		Provision against potential ijarah losses		
		Opening balance	9,067,670	30,779,852
		Charged during the period / year	-	4,765,175
		Written off during the period / year	-	(26,477,357)
		Closing balance	<u>9,067,670</u>	<u>9,067,670</u>

		Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
	Note		
8	LOANS, ADVANCES AND OTHER RECEIVABLE		
Insurance claim receivable		2,620,272	2,620,272
Sales tax adjustable	8.1	64,672,581	65,664,083
Loans and advances to staff	8.2	4,662,898	5,743,294
Earnest money		580,268	1,029,028
Advances and prepayments		7,564,253	9,530,139
Security deposit		2,859,470	2,659,470
Other receivables	8.3	1,226,506	202,980
		<u>84,186,248</u>	<u>87,449,266</u>
8.1	This amount includes sales tax input adjustable on account of purchase of fixed assets and stores, spares and loose tools.		
8.2	This includes an amount of Rs. 2.53 million (June 30, 2022: Rs.2.259 million) related to advance against expenses and Rs.2.13 million (June 30, 2022: Rs. 3.484 million) related to loan to staff which is secured against staff provident fund.		
8.3	This includes Rs. 0.871 million (June 30, 2022: Rs. 0.871 million) receivable from Eman Management (Private) Limited, an associated company.		
9	INCOME TAX REFUNDABLE		
Advance income tax	9.1	<u>111,382,460</u>	<u>111,382,460</u>
9.1	It represents Rs.111.382 million (June 30, 2022: Rs.111.382 million) pertaining to income tax refundable up to June 30, 2021		

	Note	Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
10 CASH AND BANK BALANCES			
Cash in hand		632,702	422,919
Cash at banks			
- in current account		4,139,519	2,836,679
- in savings account	10.1	105,303,632	71,277,308
		109,443,151	74,113,987
		110,075,853	74,536,906

10.1 These balances carry profit at rates ranging from 4 % to 7% (June 30, 2022: 4 % to 7%) per annum.

11 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Un-audited September 30, 2022 Number of certificates	Audited June 30, 2022 Number of certificates		Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
75,000,000	75,000,000	Modaraba certificates of Rs. 10 each fully paid up	750,000,000	750,000,000

11.1 Eman Management (Private) Limited (the Management Company) held 7,500,000 (10%) certificates of Rs. 10 each as at September 30, 2022 (June 30, 2022: 7,500,000).

12 STATUTORY RESERVE

Statutory reserve represents profits set aside to comply with the Modaraba Regulations 2021 issued by Securities and Exchange Commission of Pakistan. These regulations require a Modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that reserves equal 100% of the paid-up capital. Thereafter, a sum not less than 5% of after tax profit is to be transferred. During the current period, the Modaraba has transferred an amount of Rs. Nil (June 30, 2022: 34.026 Million) which represents Nil % (June 30, 2022: 20%) of the profit after tax for the period.

		Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
	Note		
13	DIMINISHING MUSHARAKA FINANCING		
	(Secured)		
	Diminishing Musharaka Financing	352,479,070	431,047,425
	Due within one year	(227,387,062)	(265,610,373)
		<u>125,092,008</u>	<u>165,437,052</u>
13.1	The total facility from Musharaka finance available from financial institutions and Modaraba amounts to Rs. 950 million and Rs. 22.913 million respectively. These facilities have maturities from March 2019 to December 2024 (June 30, 2022: March 2019 to December 2024) and are secured against the hypothecation of Ijarah assets. Share of profit payable on these facilities is 10.61 % to 17.58% per annum (June 30, 2022: 9.17 % to 17.31 % per annum).		
		Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
14	LEASE LIABILITY		
	Lease liability	12,571,032	16,086,149
	Less: current portion	(12,571,032)	(14,782,780)
		<u>-</u>	<u>1,303,369</u>
	Maturity analysis of contractual undiscounted cash flow:		
	Less than one year	12,571,032	15,704,977
	One to five year	-	1,313,964
	Total undiscounted cash flow	<u>12,571,032</u>	<u>17,018,941</u>
15	DEFERRED TAXATION		
	Deferred taxation	<u>54,206,317</u>	<u>51,380,102</u>

		Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
	Note		
16 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Remuneration payable to Modaraba Management Company	19	39,492,824	32,322,033
Creditors for spare parts and fixed assets	16.1	394,576,041	332,037,800
Advances / deposits from customers		19,602,685	17,832,307
Withholding income and sales tax payable		42,986,895	25,219,832
Accrued liabilities		49,173,522	30,168,320
Payable to Provident Fund	16.2	26,113,019	6,275,084
Accrued profit on diminishing musharaka financing		3,514,661	4,254,435
Provision for Sindh Workers' Welfare Fund	16.3	14,960,041	13,687,943
Provision for indirect taxes		10,962,826	10,030,623
		601,382,514	471,828,377
16.1	This amount includes Rs. 312.689 million (June 30, 2022: Rs. 299.57 million) in respect of purchase of spare parts and loose tools and service and maintenance charges and overhauling / purchase of generators, accessories and equipment payable to Orient Energy Systems (Private) Limited, an associated company.		
16.2	The Company operates defined contribution provident fund (the Fund) maintained for its permanent employees. Equal monthly contributions at the rate of 10% of the basic salary are made to the Fund both by the Company and the employees.		
	The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and conditions specified thereunder.		
16.2	As a consequence of the 18th amendment to the Constitution, levy for the WWF was introduced by The Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on May 21, 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs.500,000 or more in any year of account commencing on or after the date of closing of account on or after December 31, 2013, to pay two percent of so much of its total income declared to SWWF.		

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

As a result, the Modaraba is of the view that unless there is a mechanism of apportionment of the total income relevant to the province of Sindh, SRB has no legal authority to demand and / or collect SWWF from the Modaraba. However, the Modaraba as a matter of abundant precaution has recognized provision for SWWF amounting to Rs. 14.96 million in these condensed interim financial statements.

	Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
17 TAXATION – NET		
Provision for taxation	111,475,084	88,189,968
Advance income tax	(90,587,914)	(72,748,073)
	<u>20,887,170</u>	<u>15,441,895</u>

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

The Assistant Commissioner – Sindh Revenue Board (SRB) issued an order 408 of 2019 demanding Sindh Sales Tax of Rs. 51.4 million including penalty amounting to Rs. 2.5 million for Ijara Rental income of the Modaraba without considering that the Modaraba are operating in other provinces where Sindh Sales Tax Act, 2011 is not applicable and without considering that Sindh government has inserted renting of machinery, equipment, appliances and other tangible goods in Second Schedule of Sindh Sales Tax on Services Act, 2011 at the rate of 13% by Finance Act 2019-20. Further by notification number SRB-3-4/21/2019 dated July 01, 2019 the Sindh government has also introduced reduced rate 5% on above-mentioned services; however, input adjustment will not be allowed. Further, the Modaraba has lodged appeal with Commissioner Appeal dated January 01, 2020 vide appeal number 306/2019 and simultaneously the Modaraba has lodged constitutional petition number D-352 of 2020 with High Court for pursuing case legally and High Court has provided stay order against SRB for taking any coercive action against Modaraba via its order number 15212223 / 2020 dated January 01, 2020.

The legal advisor of the Modaraba believes that the outcomes of the appeal will be in favor of the Modaraba and hence no provision has been made in these condensed interim financial statements.

19 MODARABA MANAGEMENT COMPANY'S FEE

In accordance with the Modaraba Companies and Modaraba Rules, 1981, the Modaraba has accrued management fee at the rate of 10% of profits during the period which is payable to the Modaraba Management Company amounting to Rs. 7.170 Million (September 30, 2021: Rs. 5.232 Million). Furthermore, during the current period, an amount of Rs. 932,203 (September 30, 2021: Rs. 680,254) at the rate of 13% was charged on account of sales tax on management fee levied under Sindh Sales Tax on Services Act, 2011.

	Un-audited September 30, 2022 (Rupees)	Un-audited September 31, 2021 (Rupees)
20 TAXATION		
Current tax	23,285,116	8,192,071
Deferred tax	2,826,215	2,491,770
	<u>26,111,331</u>	<u>10,683,841</u>

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the Modaraba is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

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

As at September 30, 2022 and June 30, 2022, there were no financial instruments which were measured at fair values.

The table below analyses financial instruments measured at the end of the reporting period:

	As at September 30, 2022		As at June 30, 2022	
	Carrying Amount (Rupees)	Total (Rupees)	Carrying Amount (Rupees)	Total (Rupees)
Financial assets at amortized cost				
Receivables	334,904,367	334,904,367	283,613,199	283,613,199
Advances and other receivables	16,647,414	16,647,414	16,953,044	16,953,044
Cash and bank balances	110,075,853	110,075,853	74,113,987	74,113,987
	<u>461,627,634</u>	<u>461,627,634</u>	<u>374,680,230</u>	<u>374,680,230</u>
Financial liabilities at amortized cost				
Diminishing musharaka financing	352,479,071	352,479,071	431,047,425	431,047,425
Creditors, accrued and other liabilities	463,696,544	463,696,544	422,889,979	422,889,979
Lease liability	12,571,032	12,571,032	16,086,149	16,086,149
Unclaimed dividend	161,844	161,844	161,844	161,844
	<u>828,908,491</u>	<u>828,908,491</u>	<u>870,185,397</u>	<u>870,185,397</u>

- 21.1 These financial assets and liabilities are for short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

22 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include a subsidiary company, modaraba management company, associated companies with or without common directors, retirement benefit funds, directors, and key management personnel.

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

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

Relationship with Modaraba	Nature of transactions	Un-audited September 30, 2022 (Rupees)	Un-audited September 30, 2021 (Rupees)
22.1 Transactions during the period:			
Parent Company ASJN Holding (Private) Limited	Dividend paid	0	900,000
Associated Company Orient Energy System (Private) Limited	Purchase / overhauling of:		
	- generators	20,000,000	-
	- accessories	0	1,159,090
	- machinery and equipment's	0	-
	- stores, spares and loose tools	35,448,554	39,554,675
	- service and maintenance charges	3,758,211	2,750,000
	Rental of generators	400,000	158,333
	Operation and maintenance income	5,250,000	5,621,000
Associated Company Eman Management (Private) Limited	Management fee	7,170,791	5,232,722
	Reimbursement of expenses	0	-
	Dividend paid	0	-
Orient Energy System FZCO	Purchase / overhauling of:		
	Accessories	0	-
	stores, spares and loose tools	0	5,981,088
Directors	Dividend paid	0	-
Key Management Personnel	Remuneration	7,063,095	7,873,214
	Contribution to Provident Fund	303,135	391,947
Employees' Provident Fund	Contribution to Provident Fund	8,408,358	6,459,206

		Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
22.2	Period end balances:		
	Associated Company Orient Energy System (Private) Limited		
	Payable against purchases of fixed assets, spare parts & loose tools and service & maintenance charges	312,689,715	299,576,062
	Receivable against services rendered	35,346,212	28,804,212
	Eman Management (Private) Limited		
	Management fee payable	39,492,824	32,322,033
	Receivable against PSO fleet charges	870,947	870,947
	Outstanding certificates 7,500,000 (June 30, 2022: 7,500,000)	75,000,000	75,000,000
	Parent Company ASJN Holding (Private) Limited		
	Outstanding certificates 5,000,000 (June 30, 2022: 5,000,000)	50,000,000	50,000,000
	Directors		
	Outstanding certificates 12,540,034 (June 30, 2022: 12,540,434)	125,400,340	125,400,340

23 FINANCIAL RISK MANAGEMENT

The Modaraba's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2022.

24 SEGMENT INFORMATION

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

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

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

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

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

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

	Ijarah rentals	Operation and maintenance	Total
	(Rupees)	(Rupees)	(Rupees)
24.1 Segment revenue / profit			
For the period ended September 30, 2022			
Revenue	278,850,555	164,997,687	443,848,242
Costs	212,982,860	141,749,233	354,732,093
Reporting segment profit	65,867,695	23,248,454	89,116,149
For the period ended September 30, 2021			
Revenue	258,042,660	123,128,335	381,170,995
Costs	205,364,170	113,387,649	318,751,819
Reporting segment profit	52,678,332	9,740,686	62,419,176
		Un-audited	Un-audited
		September 30,	September 30,
		2022	2021
		(Rupees)	(Rupees)
Reconciliation of segment results with profit before tax is as under:			
Total results for reportable segments		89,116,149	62,419,176
Administrative expenses		(13,574,449)	(11,668,672)
Other Expenses		(5,481,000)	(17,000)
Other Income		2,041,776	2,101,829
Finance costs		(394,571)	(498,111)
Other non-operating expenses		(9,375,092)	(6,841,261)
		62,332,813	45,485,961

	Ijarah rentals (Rupees)	Operation and maintenance (Rupees)	Total (Rupees)
24.2 Segment assets and liabilities			
As at September 30, 2022 (Un-audited)			
Segment assets	1,650,129,159	135,344,738	1,785,473,897
Segment liabilities	834,426,669	-	834,426,669
As at June 30, 2022 (Audited)			
Segment assets	1,609,366,079	115,874,798	1,725,240,877
Segment liabilities	767,339,660	-	767,339,660

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

	Un-audited September 30, 2022 (Rupees)	Audited June 30, 2022 (Rupees)
Total for reportable segment assets	1,785,473,897	1,725,240,877
Unallocated assets	358,187,642	326,457,025
Total assets as per condensed interim balance sheet	2,143,661,539	2,051,697,902
Total for reportable segment liabilities	779,228,828	767,339,660
Unallocated liabilities	262,459,119	218,606,132
Total liabilities as per condensed interim balance sheet	1,041,687,947	985,945,792

25 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 28, 2022 by the Board of Directors of Eman Management (Private) Limited.

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


Chief Executive Officer


Director


Director


Chief Financial Officer

- ۳ -

اعتراف

بورڈ، رجسٹرار مضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کے وقتاً فوقتاً تعاون، مدد اور رہنمائی کیلئے خلوص دل کے ساتھ شکر گزار ہے۔

بورڈ اپنے شریکیٹ ہولڈرز کا بھی ممنون ہے جو اورینٹ گروپ کے ساتھ منسلک رہے اور مضاربہ کے ملازمین کی خدمات اور صارفین کو ان کی توقع کے مطابق معیار خدمات فراہم کرنے کیلئے کوشاں رہے جو مضاربہ کے کاروبار کو آگے بڑھانے میں معاون ہے۔

چینر مین

چیف ایگزیکٹو آفیسر

28 اکتوبر 2022

مضاربہ نے مالی سال 2023 کی پہلی سہ ماہی میں 36.2 ملین روپے بعد از ٹیکس منافع حاصل کیا جو گزشتہ سال کی اسی مدت میں 34.8 ملین روپے تھا۔ مجموعی آمدنی 443.8 ملین روپے ہوئی جو گزشتہ سال کے 381.17 ملین روپے کے مقابلے میں 16.4% زیادہ ہے۔ مضاربہ کے آپریٹنگ کے شعبہ جات، رینٹل اور مینٹنس دونوں نے آمدنی میں اضافہ کیا۔ آپریٹنگ کے اخراجات 344.2 ملین روپے ہوئے (ستمبر 2021: 302.26 ملین روپے) جو 13.9 فیصد زیادہ ہیں جس کی بنیاد دیوجہ افراط زر، تنخواہوں کے سالانہ جائزے اور پاکستانی روپے کی قدر میں کمی کی بناء پر پارٹس اور لیبر ٹیکس کی بڑھتی ہوئی قیمتیں تھیں۔ مضاربہ کا مجموعی منافع گزشتہ سال کی اسی مدت کے 78.9 ملین روپے سے بڑھ کر موجودہ مدت میں 99.6 ملین روپے ہوا جو 36.2% زیادہ ہے۔ دیگر اخراجات 27.9 ملین روپے کے ہوئے (ستمبر 2021: 26.58 ملین روپے) جو گزشتہ سال کی اسی مدت کے مقابلے میں 5.1% زیادہ ہیں۔ موجودہ مدت میں بعد از ٹیکس منافع 62.3 ملین روپے حاصل ہوا جو گزشتہ سال کی اسی مدت کے 45.48 ملین روپے سے 37.0% زیادہ ہے۔ زیر جائزہ مدت میں بعد از ٹیکس منافع 36.2 ملین روپے حاصل ہوا جس کی بناء پر فی سرٹیفکیٹ آمدنی گزشتہ سال کے 0.46 روپے سے بڑھ کر 0.48 روپے ہوئی۔

مستقبل کا منظر نامہ

موجودہ مالی سال ختمہ جون 2023 میں صرف 2 فیصد نمو ہونے کی توقع ہے جو بنیادی طور پر تباہ کن سیلاب، سخت مانیٹری پالیسی، بلند افراط زر اور کم سازگار عالمی ماحول ہے۔ تاہم مثبت رخ یہ ہے کہ مالی سال 2023 کی پہلی سہ ماہی میں تو ازن ادائیگی معیشت کے استحکام کیلئے حوصلہ افزاء ہے جس کا سبب گزشتہ سال کے مقابلے میں درآمدات میں 11% کمی آتا ہے۔ جولائی تا ستمبر 2022 کی سہ ماہی کے دوران میں برآمدات گزشتہ سال کے مقابلے میں معمولی طور پر زیادہ ہوئیں۔ ملک کیلئے ایک اور اچھی خبر یہ ہے کہ چار سال سے زیادہ عرصے کے بعد اسے گرے لسٹ سے نکال دیا گیا ہے۔

ملک میں جاری سیاسی عدم استحکام کی کیفیت اور سیلاب سے ہونے والے غیر معمولی نقصانات کے نتیجے میں آنے والے مہینوں میں شدید نوعیت کے چیلنجز پیش آنے کی توقع ہے۔ درج بالا منظر نامے کی بناء پر اس وقت سے انتظامیہ کیلئے ہوشیار اور محتاط رہنا بہت ضروری ہے۔ بڑی پابندیوں بشمول معاشی محاذ پر غیر یقینی کیفیت، بلند افراط زر صنعتوں کو گیس کی فراہمی میں خلل کے خدشہ اور پاکستانی روپے کی قدر میں کمی، اور مزید ایسے عوامل ہیں جو بحالہ آپریشنز کی لاگت پر براہ راست اثر انداز ہوں گے۔

ڈائریکٹرز کی رپورٹ

اورینٹ رینٹل مضاربہ ("Modaraba") کی منجمنٹ کمپنی ایمان (EMAN) منجمنٹ (پرائیویٹ) لمیٹڈ ("EMAN") کا بورڈ آف ڈائریکٹرز بمسرت ڈائریکٹرز کی رپورٹ مع مضاربہ کے غیر آڈٹ شدہ مختصر عبوری مالیاتی حسابات برائے پہلی سہ ماہی ختمہ 30 ستمبر 2022 پیش کر رہا ہے۔

مالیاتی جھلکیاں اور کاروباری جائزہ:








پہلی سہ ماہی ختمہ	پہلی سہ ماہی ختمہ	مالیاتی جھلکیاں
30 ستمبر 2021	30 ستمبر 2022	
روپے	روپے	
381,170,995	443,848,242	آمدنی
(302,261,212)	(344,206,876)	آپریٹنگ کے اخراجات
78,909,783	99,641,366	مجموعی منافع
(26,582,561)	27,933,461	دیگر اخراجات - خالص
52,327,222	71,707,905	منجمنٹ کمپنی کے معاوضے سے قبل منافع
(6,841,261)	(9,375,092)	منجمنٹ کمپنی کا معاوضہ اور دیگر پروویژن
45,485,961	62,332,813	قبل از ٹیکس منافع
(10,683,841)	(26,111,331)	ٹیکس
34,802,120	36,221,482	بعد از ٹیکس منافع
0.46	0.48	فی سٹوکیٹ آمدنی - بنیادی اور تحلیل شدہ
12.40	14.69	فی سٹوکیٹ بریک اپ ویلیو










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