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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 Jiwakhan
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 Jiwakhan
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

Human Resource and Remuneration Committee
Mr. Joozer Jiwakhan
Chairman

Mr. Nasim Ahmed
Member

Mr. Teizoon Kisat
Member

Chief Financial Officer
Ms. Effat Assad

Company Secretary
Mr. Muhammad Jamal Ahmedani

Head of Internal Audit
Mr. Noman Adil

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 Shahrah-e-Faisal, Karachi



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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 the nine months ended March 31, 2023.

Financial Highlights	Nine months ended March 31, 2023	Nine months ended March 31, 2022
	Rupees	Rupees
Revenue	1,305,124,860	1,231,484,877
Operating Expenses	(984,401,186)	(910,627,832)
Gross Profit	320,723,674	320,857,045
Finance Cost	(58,322,680)	(48,900,924)
Other Expenses - Net	(23,903,216)	(33,386,688)
Profit before Management Fee	238,497,778	238,569,433
Management Company's Remuneration and other provision	(31,181,200)	(31,190,568)
Profit before taxation	207,316,578	207,378,865
Taxation	(78,270,396)	(85,897,119)
Profit after taxation	129,046,182	121,481,746
Earnings per Certificate – Basic and Diluted	1.72	1.62

Review of Operations

Revenues for the period under review at Rs. 1,305.12 million were 6.0 percent higher than Rs. 1,231.48 million in the comparative period last year. Disruption in gas supplies decelerated the revenues from the rental of gas generators. However, other business segments contributed to the increase in revenues. Inflation at 35.4 percent being six decades high resulted in operating costs increasing by 8.1 percent from Rs. 910.63 million in the comparative period last year to Rs. 984.40 million in the current period. During the last nine months, the Central Bank raised the interest rate to 20 percent at a level highest since October 1996 with consumer price inflation at its highest level for almost fifty years. This resulted in an increase in finance cost by 19.2 percent from Rs. 48.90 million in the comparative period last year to Rs. 58.32 million in the current period. Other expenses at Rs. 23.90 million were lower than Rs. 33.39 million in the comparative period last year, a decrease of 28.4 percent. The after-tax profit for the year at Rs. 129.05 million was 6.2 percent higher than Rs. 121.48 million in the comparative period last year.

Future Outlook

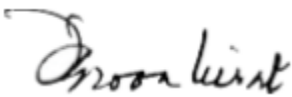
The economic data available for the current financial year 2022-23 presents a dismal picture with GDP growth projections revised by the IMF and World Bank for Pakistan to 0.5 percent and 0.4 percent respectively. Earlier, Pakistan's GDP growth was projected at 2 percent. The rate of inflation has surged to over 35 percent and is expected to remain high, the policy rate has increased to 21 percent and the Pak rupee has depreciated by 38% since the beginning of the current financial year. The value of imports went down by 25 percent and exports declined by 1.6 percent. Considering the above challenges in economic activities, it is likely that there may be negative GDP growth in the fiscal year 2022-23.

Despite the above negative outlook, the Modaraba recorded modest growth of 6 percent. However, we expect that the time ahead will also be challenging in the wake of last year's devastating floods, disruption of gas supplies to the industry, exacerbating inflation, a current account deficit, depreciating currency, and an ongoing foreign exchange crisis. Nevertheless, we remain committed to quality growth and the best returns for our customers.

Acknowledgment

The Board wishes to place on record its sincere gratitude for the support and guidance provided by the Securities & Exchange Commission of Pakistan, Registrar Modaraba, and the Pakistan Stock Exchange.

The Board remains grateful to its certificate holders for placing their trust in the Modaraba and to its employees for their dedication and support in providing quality service.



Chief Executive Officer



Chairman

April 28, 2023



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**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2023**

		(Un-audited)	(Audited)
		March 31, 2023	June 30, 2022
	Note	(Rupees)	(Rupees)
ASSETS			
Non-current assets			
Fixed assets	4	1,344,993,176	1,403,888,865
Intangible assets		-	56,501
Long term deposits		4,698,000	4,698,000
		<u>1,349,691,176</u>	<u>1,408,643,366</u>
Current assets			
Stores, spares and loose tools		83,795,622	86,072,705
Trade receivables	5	291,249,438	283,613,199
Loans, advances and other receivable		82,254,487	87,449,266
Tax refundable due from Government		105,562,361	111,382,460
Cash and bank balances	6	219,209,333	74,536,906
		<u>782,071,241</u>	<u>643,054,536</u>
TOTAL ASSETS		<u><u>2,131,762,417</u></u>	<u><u>2,051,697,902</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Authorised capital			
75,000,000 certificates of Rs. 10/- each		<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up capital	7	750,000,000	750,000,000
Statutory reserve		162,258,770	162,258,770
Unappropriated profit		282,539,522	153,493,340
Total capital and reserves		<u>1,194,798,292</u>	<u>1,065,752,110</u>
Non-current liabilities			
Diminishing musharaka financing	8	377,490,745	165,437,052
Lease liabilities		-	1,303,369
Deferred taxation		59,231,695	51,380,102
		<u>436,722,440</u>	<u>218,120,523</u>
Current liabilities			
Current maturity of diminishing musharaka financing	8	168,271,491	265,610,373
Current portion of lease liabilities		5,150,798	14,782,780
Creditors, accrued and other liabilities	9	317,035,756	471,828,377
Unclaimed dividend		161,844	161,844
Provision for taxation		9,621,796	15,441,895
		<u>500,241,685</u>	<u>767,825,269</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,131,762,417</u></u>	<u><u>2,051,697,902</u></u>
CONTINGENCIES AND COMMITMENTS	10		

The annexed notes from 1 to 17 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 PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

	Note	NINE MONTHS ENDED		QUARTER ENDED	
		March 31, 2023 (Rupees)	March 31, 2022 (Rupees)	March 31, 2023 (Rupees)	March 31, 2022 (Rupees)
Ijarah rentals – net		801,246,787	806,637,853	248,214,065	267,197,443
Operation and maintenance income – net		503,878,073	424,847,024	169,241,683	149,487,383
		1,305,124,860	1,231,484,877	417,455,748	416,684,826
Operating expenses		(984,401,186)	(910,627,832)	(305,898,955)	(306,144,573)
Gross profit		320,723,674	320,857,045	111,556,793	110,540,253
Administrative expenses		(34,508,236)	(37,110,303)	(10,785,358)	(12,320,905)
Other expenses		(26,000)	(361,600)	(26,000)	(126,642)
Other Income		14,439,294	5,555,552	10,444,368	1,979,459
Finance cost		(58,322,680)	(48,900,924)	(27,030,254)	(17,224,534)
(Provision)/ Reversal against potential ijarah losses and operation and maintenance income		(3,808,274)	(1,470,337)	2,557,848	(326,019)
		(82,225,896)	(82,287,612)	(24,839,396)	(28,018,641)
		238,497,778	238,569,433	86,717,397	82,521,612
Modaraba Management Company's fee	11	(23,849,778)	(23,856,943)	(8,671,740)	(8,252,161)
Provision for Sindh Sales tax on Modaraba Management fee	11	(3,100,471)	(3,101,403)	(1,127,326)	(1,072,781)
Provision for Sindh Workers' Welfare Fund		(4,230,951)	(4,232,222)	(1,538,367)	(1,463,934)
Profit before taxation		207,316,578	207,378,865	75,379,964	71,732,736
Taxation	12	(78,270,396)	(85,897,119)	(26,925,480)	(30,571,360)
Profit for the period		129,046,182	121,481,746	48,454,484	41,161,376
Earnings per certificate – basic and diluted		1.72	1.62	0.65	0.55

The annexed notes from 1 to 17 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2023 (Rupees)	March 31, 2022 (Rupees)	March 31, 2023 (Rupees)	March 31, 2022 (Rupees)
Profit for the period	129,046,182	121,481,746	48,454,484	41,161,376
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	129,046,182	121,481,746	48,454,484	41,161,376

The annexed notes from 1 to 17 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 NINE MONTHS ENDED MARCH 31, 2023**

	Nine Months Ended March 31, 2023 (Rupees)	Nine Months Ended March 31, 2022 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	207,316,578	207,378,865
Adjustment for non-cash and other items:		
Depreciation on fixed assets	150,629,927	168,298,376
Amortization on intangible assets	56,501	314,388
Provision against potential ijarah losses and operation and maintenance income	3,808,274	1,470,337
Finance costs	58,322,680	48,900,924
Gain/(Loss) on disposal of fixed assets	-	(230,483)
Provision for Sindh Workers' Welfare Fund	4,230,951	4,232,222
Other income	(14,439,294)	(5,325,069)
	<u>202,609,039</u>	<u>217,660,695</u>
Operating profit before working capital changes	409,925,617	425,039,560
(Increase)/ decrease in current assets		
Stores, spares and loose tools	2,277,083	(26,326,232)
Trade debtors	(11,444,513)	(61,007,041)
Loans, advances and other receivable	5,194,779	(16,832,768)
	(3,972,651)	(104,166,041)
Increase/(decrease) in current liabilities		
Payable to Modaraba Management Company	23,849,778	23,856,943
Creditors, accrued and other liabilities	(183,445,078)	140,059,894
	<u>(159,595,300)</u>	<u>163,916,837</u>
Profit paid on diminishing musharaka financing	(57,750,952)	(51,512,612)
Income taxes refunded / (paid) - net	(70,418,803)	(64,810,310)
Net cash generated from operating activities	<u>118,187,911</u>	<u>368,467,434</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to fixed assets	(92,574,243)	(91,874,988)
Additions to capital work-in-progress	-	(48,032,072)
Sale proceeds on disposal of fixed assets	840,000	551,786
Profit on bank deposits	14,439,294	5,914,004
Net cash used in investing activities	<u>(77,294,949)</u>	<u>(133,441,270)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Diminishing musharaka financing received	340,000,000	9,241,706
Repayment of diminishing musharaka financing	(225,285,189)	(212,961,342)
Repayment of lease liability	(10,935,346)	(9,618,077)
Dividend paid	-	(74,961,967)
Net cash generated from / (used) in financing activities	<u>103,779,465</u>	<u>(288,299,680)</u>
Net increase / (decrease) in cash and cash equivalents	144,672,427	(53,273,516)
Cash and bank balances at beginning of period	74,536,906	166,203,981
Cash and bank balances at end of period	<u>219,209,333</u>	<u>112,930,465</u>

The annexed notes from 1 to 17 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

Third Quarterly Report March 31, 2023



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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	<u>Capital Reserve</u>			Total
	Paid-up certificate capital (Rupees)	Statutory reserve * (Rupees)	Unappropriated profit (Rupees)	
Balance as at July 01, 2021	750,000,000	128,232,105	92,386,680	970,618,785
Profit for the period	-	-	121,481,746	121,481,746
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	121,481,746	121,481,746
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 March 31, 2022	<u>750,000,000</u>	<u>128,232,105</u>	<u>138,868,426</u>	<u>1,017,100,531</u>
Balance as at July 01, 2022	750,000,000	162,258,770	153,493,340	1,065,752,110
Profit for the period	-	-	129,046,182	129,046,182
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	129,046,182	129,046,182
Transfer to statutory reserve				
Transactions with owners				
Profit distribution for the year ended June 30, 2022	-	-	-	-
Balance as at March 31, 2023	<u>750,000,000</u>	<u>162,258,770</u>	<u>282,539,522</u>	<u>1,194,798,292</u>

* Statutory reserve represents profit set aside in accordance with Modaraba Regulations, 2021 issued by Securities and Exchange Commission of Pakistan.

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


Chief Executive Officer


Director


Director


Chief Financial Officer



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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

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

The Modaraba is the subsidiary of ASJN Holding (Private) Limited (the Ultimate parent).

The geographical location and address of Modaraba's business units are as follows:

Registered office

Plot # 9, Sector 24, Korangi Industrial Area, Karachi.

Other office

S.no	Address
1	1st Floor, Sulaiman Centre, Plot No SC-5, Sector 15, at Brookes Chowrangi, Karachi, Pakistan.
2	KM, Defence Road, Off, Raiwind Road Lahore, Pakistan.
3	Plot # 189A, First Floor, Korang Road, I-10/3 Islamabad, Pakistan.
4	Plot # 10/1, Sector 23, Korangi Industrial Area, Karachi, Pakistan.

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; and

- Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulation, 2021 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 statements do 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 March 31, 2022.

2.2 BASIS OF MEASUREMENT

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These 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 Pakistani rupees unless otherwise stated.

3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS 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 accounting and reporting 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 are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022, except for change in estimate mentioned in note 3.6.
- 3.4 There are certain standards, interpretations and amendments to accounting and reporting 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 CHANGE IN ESTIMATE

During the period, the management assessed and adjusted residual value of generators under ijarah based on use and experience and current market value wherever required. This change is considered change in estimate and accounted for prospectively from July 01, 2022 as per IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Had there been no change in residual value, the effect on profit or loss for period ended March 31, 2023 would have been as follows:

	Depreciation before change	Depreciation after change	Effect of change
	-----	----- (Rupees) -----	-----
- Generators under Ijarah arrangements	<u>94,061,869</u>	<u>107,611,917</u>	<u>13,550,048</u>

		(Un-audited)	(Audited)
		March 31, 2023	June 30, 2022
	Note	(Rupees)	(Rupees)
4. FIXED ASSETS			
Operating fixed assets	4.1 & 4.3	1,333,672,498	1,381,843,353
Capital work-in-progress	4.4	6,681,786	6,969,104
Right-of-use asset – leasehold land	4.5	4,638,892	15,076,408
		<u>1,344,993,176</u>	<u>1,403,888,865</u>

4.1 It includes the generators and related equipment acquired from Orient Energy System (Private) Limited (related party):

	(Un-audited)	(Audited)
	March 31, 2023	June 30, 2022
	(Rupees)	(Rupees)
Generators	17,094,017	26,156,737
Accessories	-	2,988,232
Machinery and equipment	-	10,000,000
	<u>17,094,017</u>	<u>39,144,969</u>

4.2 This includes generators, machinery and equipment and motor vehicle taken under Diminishing Musharaka amounting to Rs. 690.370 million (June 30, 2022: Rs. 671.792 million), Rs. 101.315 million (June 30, 2022: Rs. 47.982 million) and Rs. 4.38 million (June 30, 2022: Rs. 4.38 million) respectively. The title and ownership of assets under diminishing musharaka are in joint name of the financial institutions and the Modaraba. The Modaraba's percentage of ownership in assets under diminishing musharaka ranges between 5 to 30% (June 30, 2022: 5% to 25%).

		(Un-audited) March 31, 2023 (Rupees)	(Audited) June 30, 2022 (Rupees)
	Note		
4.3 OPERATING FIXED ASSETS			
Written Down Value (WDV) – opening		1,381,843,353	1,431,051,157
Additions /Transferred from CWIP during the period / year - at cost			
For Ijarah			
-Generators		36,025,787	142,420,050
-Accessories		3,560,600	21,665,497
-Machinery and Equipment		42,070,140	10,000,000
		81,656,527	174,085,547
Own use			
- Electronic Appliances		2,495,915	2,435,154
- Motor Vehicle		2,841,026	450,683
- Furniture & Fixtures		-	58,700
- Leasehold improvements		5,868,088	3,697,605
		11,205,029	6,642,142
WDV of disposals during the period / year		(840,000)	(20,159,510)
Depreciation charge during the period / year		(140,192,411)	(209,775,983)
		(141,032,411)	(229,935,493)
		1,333,672,498	1,381,843,353
4.4 CAPITAL WORK-IN-PROGRESS			
Generators under overhauling	4.4.1	6,681,786	6,969,104
4.4.1 Movement for period / year ended			
Opening balance		6,969,104	17,462,219
Additions during the period / year		6,681,786	105,575,047
Transferred to operating fixed assets during the period/ year		(6,969,104)	(116,068,162)
Closing balance		6,681,786	6,969,104

Capital work in progress includes spare parts for the purpose of overhauling of generators.

	Note	(Un-audited) March 31, 2023 (Rupees)	(Audited) June 30, 2022 (Rupees)
4.5 RIGHT-OF-USE ASSET - LEASEHOLD LAND			
Balance as at July 1,		15,076,408	1,009,615
Additions during the period/year		-	27,833,372
Depreciation charge during the period / year		(10,437,516)	(13,766,579)
		<u>4,638,892</u>	<u>15,076,408</u>
Lease term in years		<u>2</u>	<u>2</u>
5. TRADE RECEIVABLES			
Unsecured			
Ijarah rentals	5.1	152,818,177	168,767,429
Operation and maintenance income	5.2	138,431,261	114,845,770
		<u>291,249,438</u>	<u>283,613,199</u>
5.1 IJARAH RENTALS			
Considered good		152,818,177	167,176,947
Considered doubtful - classified portfolio		22,646,527	13,732,646
Provision against potential ijarah losses	5.1.1	(22,646,527)	(12,142,164)
		-	1,590,482
		<u>152,818,177</u>	<u>168,767,429</u>
5.1.1 PROVISION AGAINST DOUBTFUL RECOVERIES			
Opening balance		12,142,164	22,097,351
Charged during the period / year		10,504,363	7,792,648
Written off during the period / year		-	(17,747,835)
Closing balance		<u>22,646,527</u>	<u>12,142,164</u>
5.2 OPERATION AND MAINTENANCE INCOME			
Considered good		133,793,827	114,845,770
Classified portfolio		7,009,015	9,067,670
Provision against doubtful operation and maintenance income receivable	5.2.1	(2,371,581)	(9,067,670)
		4,637,434	-
		<u>138,431,261</u>	<u>114,845,770</u>

	Note	(Un-audited) March 31, 2023 (Rupees)	(Audited) June 30, 2022 (Rupees)
5.2.1 Provision against potential loss on operation and maintenance income receivable			
Opening		9,067,670	30,779,852
Charged during the period/year		-	4,765,175
Written off during the period/year		-	(26,477,357)
Reversal during the period/year		(6,696,089)	-
Closing balance		<u>2,371,581</u>	<u>9,067,670</u>
6 Cash and Bank Balances			
Cash in hand		1,009,034	422,919
Balances with Banks		-	
Current Accounts		2,666,032	2,836,679
Deposit Accounts		115,534,267	71,277,308
		<u>118,200,299</u>	<u>74,113,987</u>
Term Deposit		100,000,000	-
Closing balance		<u>219,209,333</u>	<u>74,536,906</u>
7. ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL			
		Un-audited	Audited
March 31,	June 30,	March 31,	June 30,
2022	2022	2023	2022
---(Number of certificates) -		(Rupees)	(Rupees)
--			
<u>75,000,000</u>	<u>75,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>
		Modaraba certificates of Rs. 10 each fully paid up	

8. DIMINISHING MUSHARAKA FINANCING

Diminishing Musharaka Financing	8.1	545,762,236	431,047,425
Current portion shown in current liabilities		<u>(168,271,491)</u>	<u>(265,610,373)</u>
		<u>377,490,745</u>	<u>165,437,052</u>
Movement in diminishing Musharaka financing			
Opening balance		431,047,425	714,155,625
Addition during the period / year		340,000,000	9,360,000
Repaid during the period / year		<u>(225,285,189)</u>	<u>(292,468,200)</u>
Closing balance		<u>545,762,236</u>	<u>431,047,425</u>

- 8.1 The total facility from Musharaka finance available from financial institutions and Modaraba amounts to Rs. 1,290 million. These facilities have maturities from April 2023 to December 2027 (June 30, 2022: January 2023 to December 2024) and are secured against the hypothecation of Ijarah assets. Share of profit payable on these facilities is 18.58% to 23.51% per annum (June 30, 2022: 9.17% to 17.31% per annum).

		(Un-audited)	(Audited)
		March 31,	June 30,
		2023	2022
	Note	(Rupees)	(Rupees)
9. CREDITORS, ACCRUED AND OTHER LIABILITIES			
Remuneration payable to Modaraba Management Company	11	23,849,778	32,322,033
Creditors for spare parts and fixed assets	9.1	141,785,547	332,037,800
Contract Advances from customers		19,687,133	8,822,407
Deposits from customers		8,460,300	9,009,900
Withholding income and sales tax payable		35,575,925	25,219,832
Accrued liabilities		45,058,398	30,168,320
Payable to Provident Fund	9.2	6,742,524	6,275,084
Accrued profit on diminishing Musharaka financing		4,826,163	4,254,435
Provision for Sindh Workers' Welfare Fund	9.3	17,918,894	13,687,943
Provision for Indirect Taxes		13,131,094	10,030,623
		<u>317,035,756</u>	<u>471,828,377</u>

- 9.1 This amount includes Rs. 86.039 million (June 30, 2022: Rs. 299.576 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.
- 9.2 The Modaraba 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 Modaraba and employees.
- 9.3 As a consequence of the 18th amendment to the Constitution, levy for the WWF was introduced by the Government of Sindh through the Sindh Workers Welfare Fund (SWWF) Act 2014. SWWF Act 2014, enacted on May 21, 2015, requires every Industrial Establishment located in the province of Sindh and having total income of Rs. 500,000 or more in any year of account commencing on or after the date of closing of account on or after December 31, 2013, to pay two percent of so much of its total income declared to SWWF.

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

As a result, the Modaraba is of the view that unless there is a mechanism of apportionment of the total income relevant to the province of Sindh, SRB has no legal authority to demand and / or collect SWWF from the Modaraba. However, the Modaraba as a matter of abundant precaution has recognized provision for SWWF amounting to Rs. 17.919 million (June 30, 2022: Rs. 13.688 million) in these condensed interim financial statements.

10. CONTINGENCIES AND COMMITMENTS

10.1 CONTINGENCIES

There are no major changes in the status of contingencies as reported in the annual audited financial statements for the year ended June 30, 2022.

10.2 COMMITMENTS

There are no changes in the status of commitments as reported in the annual audited financial statements for the year ended June 30, 2022.

11. 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 Management Company amounting to Rs. 23.850 million (March 31, 2022: Rs. 23.857 million). Furthermore, during the current period, an amount of Rs. 3.100 million (March 31, 2022: Rs. 3.101 million) at the rate of 13% was charged on account of sales tax on management fee levied under Sindh Sales Tax on Services Act, 2011.

	(Un-audited) March 31, 2023 (Rupees)	(Un-audited) March 31, 2022 (Rupees)
12. TAXATION		
Current tax	70,418,803	67,010,291
Deferred tax	7,851,593	18,886,828
	<u>78,270,396</u>	<u>85,897,119</u>

13. 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 March 31, 2023 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:

	(Un-audited) As at March 31, 2023 (Rupees)	(Audited) As at June 30, 2022 (Rupees)
Financial assets at amortized cost		
Trade debtors	291,249,438	283,613,199
Loans, advances and other receivables	8,981,054	12,255,044
Bank balances	218,200,299	74,113,987
Long term deposits	4,698,000	4,698,000
	<u>523,128,791</u>	<u>374,680,230</u>
Financial liabilities at amortized cost		
Diminishing musharaka financing	545,762,236	431,047,425
Creditors, accrued and other liabilities	177,204,013	374,889,352
Lease liability	5,150,798	16,086,149
Unclaimed dividend	161,844	161,844
	<u>728,278,891</u>	<u>822,184,770</u>

- 13.1 The carrying values of all financial assets and liabilities reflected in the condensed financial statements approximate their fair values and there were no transfers between level 1, 2 or 3 of the fair value hierarchy during the period.

14. 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:

<u>Relationship with Modaraba</u>	<u>Nature of transactions/Balances</u>	(Un-audited) March 31, 2023 (Rupees)	(Un-audited) March 31, 2022 (Rupees)
14.1 Transactions during the period:			
<u>Associated Company</u>			
	Purchase / overhauling of:		
Orient Energy System (Private) Limited	- generators	20,000,000	47,055,015
	- accessories	-	7,347,068
	- machinery and equipment's	-	10,000,000
	- stores, spares and loose tools	86,758,299	118,612,721
	- service and maintenance charges	1,759,857	8,699,694
	Rental of generators	969,710	2,660,500
	Operation and maintenance income	12,250,000	16,311,000
<u>Holding Company</u>			
ASJN Holding (Private) Limited	Dividend paid	-	5,000,000
<u>Associated</u>			
Eman Management (Private) Limited	Management fee	23,849,778	23,856,943
	Dividend paid	-	7,500,000
Orient Energy System FZCO	Purchase / overhauling of:		
	- generators	-	-
	- stores, spares and loose tools	-	57,680,254

Key Management Personnel	Remuneration	16,494,902	24,726,536
	Contribution to Provident Fund	834,276	1,306,186
	Dividend paid	-	-
Directors	Dividend paid	-	18,750,000
Employees' Provident Fund	Contribution for the year	25,186,221	21,534,642
		(Un-audited)	(Audited)
		March 31, 2023	June 30, 2022
		(Rupees)	(Rupees)
14.2 Period / year end balances:			
Associated Company			
Orient Energy System (Private) Limited	Payable against purchases of fixed assets, spare parts & loose tools and service & maintenance charges	86,039,673	299,576,062
	Receivable against services rendered	16,240,000	28,804,212
Modaraba Management Company			
Eman Management (Private Limited)	Management fee payable	23,849,778	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
		(Un-audited)	(Audited)
		March 31, 2023	June 30, 2022
		(Rupees)	(Rupees)
Directors	Outstanding certificates 12,540,034 (June 30, 2022: 12,540,034)	125,400,340	125,400,340
Employees' Provident Fund	Contribution payable	6,742,524	6,275,084



FOCUSED ON SOLUTIONS

Parent Company ASJN Holding (Private) Limited	Outstanding certificates 5,000,000 (June 30, 2022: 5,000,000)	50,000,000	50,000,000
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15. 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.

16. SEGMENT INFORMATION

As per IFRS 8, "Operating Segments", Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating 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) -----		
16.1 Segment revenue / profit			
For the period ended March 31, 2023			
Revenue	801,246,787	503,878,073	1,305,124,860
Costs	647,019,582	398,494,927	1,045,514,509
Reporting segment profit	<u>154,227,205</u>	<u>105,383,146</u>	<u>259,610,351</u>
For the period ended March 31, 2022			
Revenue	806,637,853	424,847,024	1,231,484,877
Costs	610,949,516	348,401,740	959,351,256
Reporting segment profit	<u>195,688,337</u>	<u>76,445,284</u>	<u>272,133,621</u>
		(Un-audited)	(Un-audited)
		March 31,	March 31,
		2023	2022
		(Rupees)	(Rupees)
Reconciliation of segment results with profit before tax is as under:			
Total results for reportable segments		259,610,351	272,133,621
Other non-operating income		14,439,294	5,555,552
Administrative expenses		(34,534,236)	(37,471,903)
Finance costs		(1,017,631)	(1,647,837)
Other non-operating expenses		(31,181,200)	(31,190,568)
Profit before taxation		<u>207,316,578</u>	<u>207,378,865</u>

	Ijarah rentals	Operation and maintenance	Total
	----- (Rupees) -----		
16.2 Segment assets and liabilities			
As at March 31, 2023 (Un-audited)			
Segment assets	1,561,565,942	139,518,698	1,701,084,640
Segment liabilities	725,672,176	11,690,873	737,363,049
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 March 31, 2023 (Rupees)	Audited June 30, 2022 (Rupees)
Total for reportable segment assets	1,701,084,640	1,725,240,877
Unallocated assets	430,677,777	326,457,025
Total assets as per condensed interim balance sheet	2,131,762,417	2,051,697,902
Total for reportable segment liabilities	737,363,049	767,339,660
Unallocated liabilities	199,601,076	218,606,132
Total liabilities as per condensed interim balance sheet	936,964,125	985,945,792

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 28, 2023 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

ڈائریکٹرز کی رپورٹ

اورینٹ رینٹل مضاربہ ("Modaraba") کی منجھٹ کمپنی ایمان منجھٹ (پرائیویٹ) لمیٹڈ ("EMAN") کا بورڈ آف ڈائریکٹرز بمسرت مضاربہ کے غیر آڈٹ شدہ مختصر عبوری مالیاتی حسابات برائے نو ماہ تختتمہ 31 مارچ 2023 پیش کر رہا ہے۔

نوماہ تختتمہ	نوماہ تختتمہ	مالیاتی جھلکیاں
31 مارچ 2022	31 مارچ 2023	
روپے	روپے	
1,231,484,877	1,305,124,860	آمدنی
(910,627,832)	(984,401,186)	آپریٹنگ کے اخراجات
320,857,045	320,723,674	مجموعی منافع
(48,900,924)	(58,322,680)	مالیاتی لاگت
(33,386,688)	(23,903,216)	دیگر اخراجات - خالص
238,569,433	238,497,778	منجھٹ کے معاوضے سے قبل منافع
(31,190,568)	(31,181,200)	منجھٹ کمپنی کا معاوضہ اور دیگر پروویژن
207,378,865	207,316,578	قبل از ٹیکس منافع
(85,897,119)	(78,270,396)	ٹیکس
121,481,746	129,046,182	بعد از ٹیکس منافع
1.62	1.72	فی سرٹیکلیٹ آمدنی - بنیادی اور تحلیل شدہ

آپریٹنگ کا جائزہ

زیر جائزہ مدت میں آمدنی 1,305.12 ملین روپے رہی جو گزشتہ سال کی اسی مدت کی 1,231.48 روپے کے مقابلے میں 6.0 فیصد زیادہ ہے۔ گیس کی فراہمی میں خلل کے باعث گیس جنریٹرز کے رینٹل سے حاصل ہونے والی آمدنی سست روی کا شکار ہوئی۔ تاہم دیگر کاروباری شعبہ جات سے آمدنی میں اضافہ ہوا۔

- ۲ -

چھوہائیوں میں سب سے زیادہ افراط زر کی شرح 35.4 فیصد ہو گئی جس کے نتیجے میں آپریٹنگ کے اخراجات 8.1 اضافے کے ساتھ گزشتہ سال کی اسی مدت کے 910.63 ملین روپے سے بڑھ کر 984.40 ملین روپے ہوئے۔ گزشتہ نو ماہ کے دوران میں مرکزی بینک نے شرح سود 20 فیصد تک بڑھا دی جو اکتوبر 1996 سے اب تک کی بلند ترین سطح ہے جب کہ صارفین کی قیمت کا افراط زر گزشتہ تقریباً پچاس سال میں سب سے زیادہ رہا۔ اس کے نتیجے میں مالیاتی لاگت میں 19.2 فیصد اضافہ ہوا جو گزشتہ سال کی اسی مدت کے 48.90 ملین روپے سے بڑھ کر موجودہ مدت میں 58.32 ملین روپے ہوئی۔ دیگر اخراجات 23.90 ملین روپے ہوئے جو گزشتہ سال کی اسی مدت کے 33.39 ملین روپے کے مقابلے میں 28.4 فیصد کم ہیں۔ سال کیلئے بعد از ٹیکس منافع 129.05 ملین روپے رہا جو گزشتہ سال کی اسی مدت کے 121.48 ملین روپے سے 6.2 فیصد زیادہ ہے۔

مستقبل کا منظر نامہ

موجودہ مالی سال 2022-23 کیلئے معاشی اعداد و شمار ایک مایوس کن صورتحال پیش کرتے ہیں جس میں آئی ایم ایف اور ورلڈ بینک کی جانب سے پاکستان کیلئے جی ڈی پی میں نمو کی تبدیلی شدہ متوقع شرح بالترتیب 0.5 فیصد اور 0.4 فیصد ہے۔ اس سے پہلے پاکستان کی جی ڈی پی میں نمو کی شرح 2 فیصد ہونے کی پیش گوئی کی گئی تھی۔ افراط زر کی شرح 35 فیصد سے زیادہ کی حد تک بڑھ گئی اور بلند ہی رہنے کی توقع ہے، پالیسی ریٹ 21 فیصد تک بڑھا اور پاکستانی روپے کی قدر میں موجودہ مالیاتی سال سے اب تک 38% اضافہ ہو چکا ہے۔ درآمدات کی قدر میں 25 فیصد کمی ہوئی اور برآمدات میں 1.6 فیصد کمی دیکھنے میں آئی۔ اس بات کا امکان ہے کہ مالی سال 2022-23 میں جی ڈی پی کی نمونگی میں ہو۔

درج بالا منفی منظر نامے کے باوجود، مضارب نے 6 فیصد کا نمایاں اضافہ ریکارڈ کیا۔ تاہم ہمیں توقع ہے کہ گزشتہ سال کے تباہ کن سیلاب، صنعتوں کو گیس کی فراہمی میں خلل، شدید تر افراط زر اور کرنٹ اکاؤنٹ کے خسارے، کرنسی کی قدر میں کمی اور زر مبادلہ کے جاری، بحران کے باعث آنے والے وقت میں ہمیں چیلنجز کا سامنا ہوگا۔ بہر حال، ہم معیاری نمو اور اپنے صارفین کیلئے بہترین منافع کے لئے پرعزم ہیں۔

اعتراف
بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، رجسٹرار مضاربہ اور پاکستان اسٹاک ایکسچینج کے تعاون اور رہنمائی کے لئے پر خلوص شکر یہ ادا کرتا ہے۔

بورڈ سرٹیفکیٹ ہولڈرز کے مضاربہ پر اعتماد کیلئے اور اپنے ملازمین کی لگن اور معیاری خدمات میں سپورٹ کیلئے شکر گزار ہے۔

چیرمین

چیف ایگزیکٹو آفیسر








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-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



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

