

**ORIENT**  
RENTAL MODARABA

**FOCUSED ON SOLUTIONS**

**ANNUAL REPORT**  
**JUNE 30, 2023**



**GENERATOR RENTAL**

**EQUIPMENT RENTAL**

**FACILITIES MANAGEMENT**



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## Modaraba Information

### Modaraba Company

Eman Management (Private) Limited

### Directors of Modaraba Company

Mr. Chaudhry Jawaid Iqbal  
Chairman

Mr. Teizoon Kisat  
Chief Executive

Mr. Joozer Jiwakhan  
Independent Director

Ms. Saba Ahmed Agrawalla  
Independent Director

Mr. Nasim Ahmed  
Non-Executive Director

Mr. Azhar Iqbal  
Non-Executive Director

### Audit Committee

Mr. Joozer Jiwakhan  
Chairman

Mr. Chaudhry Jawaid Iqbal  
Member

Mr. Nasim Ahmed  
Member

Ms. Saba Ahmed Agrawalla  
Member

### Risk Management Committee

Ms. Saba Ahmed Agrawalla  
Chairperson

Mr. Chaudhry Jawaid Iqbal  
Member

Mr. Teizoon Kisat  
Member

### Human Resource and Remuneration Committee (HR&R 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. Muhammad Noman Adil

### Shariah Advisor

Alhamd Shariah 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  
Phone: 021 - 111 - 676 - 676

### Registrar & Share Registration Office

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

## **Vision:**

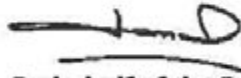
To become the outsourcing solution provider of choice in the markets we serve.

## **Mission:**

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

## Notice of Annual Review Meeting

Notice is hereby given that the 6th Annual Review Meeting of certificate-holders of Orient Rental Modaraba will be held on October 26, 2023 at 10:15 a.m. at the registered office of the Modaraba at 4th Floor, Plot # 9, Sector 24, Korangi Industrial Area Karachi to review the performance of the Modaraba for the year ended June 30, 2023.



**On behalf of the Board**  
Muhammad Jamal Ahmedani  
Company Secretary  
Orient Rental Modaraba  
October 05, 2023  
Karachi

### Notes:

#### 1. Participation in the meeting:

##### a) Physical attendance

Certificate holders whose names appear in the register of certificate holders of the Modaraba at the close of business on October 18, 2023 are entitled to attend the Annual Review Meeting.

- i) In case of individuals, the certificate holder shall authenticate his identity by showing his / her original Computerized National Identity Card ("CNIC") or original passport at the time of attending the meeting.
- ii) In case of proxy representing individuals, the proxy shall authenticate his identity by showing his / her original CNIC along with duly verified proxy form. All proxy forms must be submitted at the registered office of the Modaraba at least 48 hours before the time of meeting.
- iii) In case of corporate entities; Board of Directors resolution / Power of Attorney with specimen signature along with proxy form must be submitted at the registered office of the Modaraba at least 48 hours before the meeting

##### b) Participation through video conferencing facility

Securities and Exchange Commission of Pakistan ("SECP") through its Circular no. 4 dated February 15, 2021, has directed listed companies to ensure the participation of certificate holders in General Meetings through electronic means as a regular feature in addition to holding through physical means.

Accordingly, certificate holders interested in participating in the meeting are requested to register themselves by providing the following particulars at [company.secretary@orientmodaraba.com](mailto:company.secretary@orientmodaraba.com) at-least 48 hours prior to commencement of meeting.

Name of certificate holder	CNIC No.	Folio / CDC Account No.	Cell No.	No. of Shares held	Email address

Video conference link details and login credentials will be shared with the registered certificate holders who have provided all the requested information within the time prescribed.

## 2. Closure of Certificate Transfer Book:

The certificate transfer books shall remain closed from October 19, 2023 to October 26, 2023 (both days inclusive). Transfers received in order at the office of the Registrar of Orient Rental Modaraba i.e. M/s. CDC Share Registrar Services Limited at its Head Office, CDC House, 99-B, Block 'B', SMCHS, Main Shahrah-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326053, before the close of business hours on October 18, 2023 will be considered as being in time for the purpose of entitlement to dividend and to attend the Annual Review Meeting.

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

In terms of Securities and Exchange Commission of Pakistan's (SECP) S.R.O. 634 (I)/ 2014, the Annual Report for the year ended June 30, 2023 will also be placed on Modaraba's website simultaneously with the dispatch of the same to the certificate holders.

## 4. Deduction of withholding tax on the amount of Dividend

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

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

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

Certificate holders seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be to the Share Registrar.

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

#### **5. Dividend Mandate**

As per Section 242 of the Companies Act, 2017 (the "Act"), the payment of cash dividend by a listed company / entity through electronic mode has now become mandatory. Therefore, all the certificate holders of Orient Rental Modaraba are hereby advised to provide dividend mandate of their respective banks in the "Dividend Mandate Form" available on Company's website. Certificate holders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service. In the absence of bank account details or in case of incomplete details, the Modaraba is required to withhold the payment of cash dividend of those shareholders who have not provided the same. For more information, you may contact our share registrar.

#### **6. Submission of CNIC copies (Mandatory):**

Certificate holders who have not yet submitted a copy of their valid CNIC or NTN are requested to immediately submit the same to the Modaraba or our Share Registrar.

#### **7. Transmission of Annual Financial Statements through Email**

As per the directives issued by the Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O. 787(1) 2014 dated 08 September 2014, companies are allowed the circulation of Audited Financial Statements along with the Notice of Annual Review Meeting to their certificate-holders through e-mail. Certificate holders who wish to receive Modaraba's Annual Report via email in future are requested to fill the consent form (available at Modaraba's website) and return it to our share registrar.

#### **8. Unclaimed dividend**

An updated list for unclaimed dividends of the Modaraba is available on the Modaraba's website. Certificate-holders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar to collect / inquire about their unclaimed dividend, if any. Dividend which remained unclaimed for more than three years is required to be deposited with the Federal Government under section 244(2) of the Companies Act, 2017.

#### **9. Change of Address**

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

## Key Financial Data

		2023	2022	2021
Total Assets	(Rs in Millions)	2,184	2,052	2,075
Current Assets	(Rs in Millions)	789	643	620
Current Liabilities	(Rs in Millions)	464	768	654
Paid-up certificate capital	(Rs in Millions)	750	750	750
Reserves	(Rs in Millions)	503	316	221
Certificate holders' net equity	(Rs in Millions)	1,253	1,066	971
Gross profit	(Rs in Millions)	489	439	338
Net profit	(Rs in Millions)	188	170	156
Total Dividend	(Rs in Millions)	75	-	75
Return on Asset	%	9	8	8
Return on Equity	%	16	16	16
Debt / Equity Ratio	Times	0.41	0.40	0.74
Current Ratio	Times	1.70	0.84	0.95
Earnings per certificates - basic and diluted	Rs.	2.50	2.27	2.09
Cash dividend	%	10.00	-	10.00
Cash dividend per certificate	Re.	1.00	-	1.00
Book value per certificate	Rs.	16.71	14.21	12.94

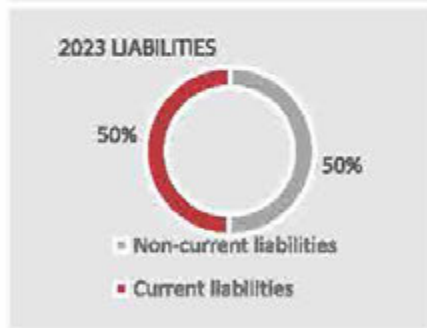
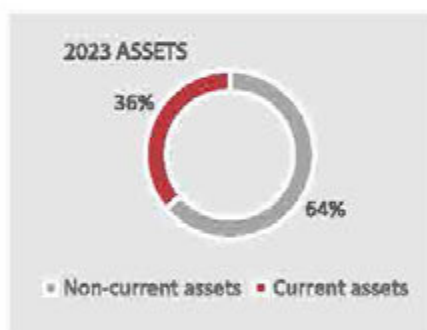


## Value Added Statement

	2023		2022		2021	
	Rs in '000	%	Rs in '000	%	Rs in '000	%
<b>Value added</b>						
Revenue from operations	1,990,039	123%	1,901,776	123%	1,477,577	129%
Less: Operating expenses	(399,921)	(25%)	(375,090)	(24%)	(316,904)	(28%)
Other income	25,034	2%	14,294	1%	(16,175)	(1%)
	<u>1,615,152</u>	100%	<u>1,540,980</u>	100%	<u>1,144,498</u>	100%
<b>Value allocated</b>						
To Employees as remuneration	786,377	48%	725,352	47%	560,723	49%
To Government Income tax, sales tax others	329,007	20%	323,811	21%	154,872	14%
To providers of finance as profit on Diminishing Musharaka	92,216	6%	65,399	4%	63,000	5%
To Modarib Modaraba Management Company fee	33,163	2%	32,322	2%	21,306	2%
To Certificate holders' as profit on Modaraba Certificates	75,000	5%	-	0%	75,000	7%
Retained in business						
as Depreciation including amortisation	186,887	12%	223,962	15%	188,132	16%
as Reserves and Retained Earnings	112,502	7%	170,133	11%	81,465	7%
	<u>1,615,152</u>	100%	<u>1,540,980</u>	100%	<u>1,144,498</u>	100%

## Balance Sheet Composition

	2023 Rupees	2022 Rupees	2021 Rupees
Non-current assets	1,395,467,125	1,408,643,366	1,454,696,676
Current assets	788,947,455	643,054,536	620,491,649
Non-current liabilities	466,995,526	218,120,523	450,827,346
Current liabilities	464,165,396	767,825,269	653,742,194
Equity	1,253,253,658	1,065,752,110	970,618,785



## Vertical Analysis

	2023	2022	2021
<b>BALANCE SHEET</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	64%	68%	70%
Intangible assets	0%	0%	0%
Long term deposits	0%	1%	0%
	64%	69%	70%
<b>Current assets</b>			
Stores, spares and loose tools	3%	4%	3%
Accounts receivables	13%	14%	10%
Loans, advances and other receivable	4%	4%	3%
Tax refundable due from Government	5%	5%	6%
Cash and bank balances	11%	4%	8%
	36%	31%	30%
	100%	100%	100%
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Diminishing musharika financing	15%	8%	20%
Lease liability	4%	0%	0%
Deferred tax liability	3%	3%	2%
	22%	11%	22%
<b>Current liabilities</b>			
Current maturity of diminishing musharika financing	8%	13%	14%
Current maturity of lease liability	0%	1%	0%
Creditors, accrued and other liabilities	13%	23%	17%
Unclaimed dividend	0%	0%	0%
Taxation	0%	1%	0%
	21%	38%	31%
<b>FINANCED BY:</b>			
Issued, subscribed and paid-up capital	34%	37%	36%
Unappropriated profit	14%	7%	5%
Statutory reserves	9%	8%	6%
	57%	52%	47%
	100%	100%	100%
<b>PROFIT AND LOSS ACCOUNT</b>			
Ijarah rentals - net	61%	65%	64%
Operation and maintenance income - net	38%	35%	37%
Income on deposits with banks	1%	0%	0%
(Loss) / Gain on disposal of fixed assets	0%	0%	-1%
<b>Gross Revenue</b>	100%	100%	100%
<b>Operating expenses</b>			
Leasehold improvement written-off	0%	0%	0%
Administrative expenses	3%	3%	4%
Marketing expenses	0%	0%	0%
Preliminary expenses and floatation costs	0%	0%	0%
Finance costs	5%	4%	4%
Exchange loss	1%	0%	0%
Impairment loss on financial assets	1%	1%	0%
<b>Total Expenses</b>	81%	82%	84%
Modaraba Management Company's fee	2%	2%	2%
Provision for Sindh Sales tax on Modaraba Management fees	0%	0%	0%
Provision for Sindh Workers' Welfare Fund	0%	0%	0%
Taxation	6%	7%	2%
<b>Profit Margin</b>	11%	9%	12%

## Horizontal Analysis

	2023	2022	2021
<b>BALANCE SHEET</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	-1%	-3%	21%
Intangible assets	-100%	-88%	0%
Long term deposits	7%	0%	0%
	-1%	-3%	21%
<b>Current assets</b>			
Stores, spares and loose tools	-14%	21%	37%
Accounts receivables	0%	33%	9%
Loans, advances and other receivable	-13%	50%	-10%
Tax refundable due from Government	-5%	0%	-22%
Cash and bank balances	231%	-55%	782%
	23%	4%	31%
	6%	-1%	24%
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Diminishing musharika financing	101%	-61%	-9%
Lease liability	5802%	100%	-100%
Deferred tax liability	13%	79%	0%
	114%	-52%	-3%
<b>Current liabilities</b>			
Current maturity of diminishing musharika financing	-33%	-9%	912%
Current maturity of lease liability	-29%	1154%	-91%
Creditors, accrued and other liabilities	-43%	31%	5%
Unclaimed dividend	-1%	-38%	130%
Taxation	100%	100%	0%
	-40%	17%	70%
<b>FINANCED BY:</b>			
Issued, subscribed and paid-up capital	0%	0%	0%
Unappropriated profit	98%	66%	232%
Statutory reserves	23%	27%	156%
	18%	10%	17%
	6%	-1%	24%
<b>PROFIT AND LOSS ACCOUNT</b>			
Ijarah rentals - net	-1%	27%	19%
Operation and maintenance income - net	14%	21%	11%
Income on deposits with banks	256%	48%	145%
(Loss) / Gain on disposal of fixed assets	102%	144%	-46%
<b>Gross Revenue</b>	5%	26%	18%
<b>Operating expenses</b>			
Leasehold improvement written-off	2%	24%	7%
Administrative expenses	0%	0%	-100%
Marketing expenses	0%	-2%	-8%
Marketing expenses	-88%	29%	-47%
Preliminary expenses and floatation costs	0%	0%	-100%
Finance costs	41%	4%	-8%
Impairment loss on financial assets	-83%	383%	-141%
<b>Total Expenses</b>	5%	20%	3%
Modaraba Management Company's fee	3%	52%	511%
Provision for Sindh Sales tax on Modaraba Management fees	3%	52%	511%
Provision for Sindh Workers' Welfare Fund	3%	52%	511%
<b>Profit Margin</b>	10%	9%	416%

## Chairman's Review Report

### Dear Modaraba Certificate Holders

I am pleased to provide an overview of Orient Rental Modaraba's performance for the year ended June 30, 2023. The financial year under report faced severe pressure due to global economic conditions, uncertainty surrounding the completion of IMF's program's 9th review, the political instability, drop in exports and decline in remittances from overseas Pakistanis. Significant depreciation of the currency by 28.4 percent during the current fiscal year followed by depletion of forex reserves also added to the ongoing economic crisis.

To combat the inflationary pressures the State Bank of Pakistan tightened the monetary policy by escalating interest rates from 13.75 percent to 22 percent by June 2023. The Government also imposed administrative restrictions on imports, increased energy prices and elevated corporate taxes. As a result, these fiscal and monetary measures created severe supply chain disruptions leading to a contraction of GDP to 0.29%.

Despite tough economic conditions, the modaraba achieved a GP ratio of 28% as against 26% recorded last year. The gross revenues increased by 4%. Correspondingly, the operating expenses were controlled and increased marginally by 2% despite high inflation. The after-tax profit reported at Rs. 187.5 million was higher by 10% compared to fiscal year 2022. The Board announced a dividend of 10% i.e. Re. 1 per certificate of Rs. 10 each for the year ended 30 June 2023.

The economy is still confronting both global and economic challenges. Forecast of major macroeconomic indicators, including GDP growth, investment, exports, and inflation, indicate that achieving the growth target of 3.1 percent for FY 2024 may not be realistic. It is vital for the progress of the economy to curb tax evasion and improve Tax to GDP ratio which in 2022 was 5.6%. The salaried class has been burdened with heavy taxes whereas the undocumented sector of the economy evades the taxes. However, despite all the challenges, we remain committed to strengthening our position in the market and producing better results.

I place my sincere appreciation to the Chief Executive Officer and the team members for their hard work and dedication. I also wish to place my sincere appreciation to the Registrar Modaraba, the Securities & Exchange Commission of Pakistan and the Pakistan Stock Exchange for their cooperation, support, and guidance from time to time. I would also like to take this opportunity to acknowledge and thank all stakeholders, employees, customers, suppliers, certificate-holders, bankers, and all others for their continued support and loyalty.



**Chaudhry Jawaid Iqbal**  
Chairman

Dated: September 07, 2023

## Directors' Report

### For the year ended June 30, 2023

The Board of Directors of EMAN Management (Pvt.) Limited ("**EMAN**"), the Management Company of Orient Rental Modaraba ("**Modaraba**") is pleased to present the Financial Statements of the Modaraba for the year ended June 30, 2023.

Financial Highlights	June 2023 Rupees	June 2022 Rupees
Revenue	1,761,802,240	1,688,793,652
Operating Expenses	(1,273,175,946)	(1,249,463,477)
Gross Profit	488,626,294	439,330,175
Finance cost	(92,216,076)	(65,399,341)
Other Expenses - Net	(64,781,953)	(50,710,501)
Profit before Management fees	331,628,265	323,220,333
Modaraba Management Company's Fee	(33,162,827)	(32,322,033)
Provision for Sales Tax on Management Fees	(4,311,168)	(4,201,864)
Provision for Sindh Workers Welfare Fund	(5,883,085)	(5,733,929)
Profit before taxation	288,271,185	280,962,507
Taxation	(100,769,637)	(110,829,182)
Profit after taxation	187,501,548	170,133,325
Un-appropriated profit brought forward	153,493,340	92,386,680
Transfer to Statutory Reserve @ 20% of profit for the year	(37,500,310)	(34,026,665)
Profit distribution for the year ended June 30, 2022, Nil (for the year ended June 30, 2021: @ Re. 1.0) per Certificate	-	(75,000,000)
Un-appropriated profit carried forward	303,494,578	153,493,340
Earnings per certificate - Basic and Diluted	2.50	2.27
Break up value per certificate	16.71	14.21

### Economic Review

Economic activity slowed down considerably amid worsening domestic and external conditions, devastated 2022 floods, unprecedented inflation, stringent import payment conditions, significant devaluation of Pak rupee and substantial increase in policy rates. Consequently, GDP growth rate was recorded at 0.29 percent. The slight increase was primarily due to the growth of the agriculture sector at 1.55 percent and the services sector at 0.89 percent, whereas the overall decline in industrial output was 2.94 percent. Thus, FY2023 has been the most challenging year in the history of Pakistan's economy.

A five-year parliamentary term concluded in August 2023. The past five years witnessed two ruling coalitions with political uncertainties that deteriorated economic conditions. As a result of consistent devaluation PKR stood at 287 rupees against the US Dollar as of June 30, 2023, and CPI national inflation was reported at a staggering 29.4 percent (July -June 2023). Policy rates were raised by Monetary Policy Committee of SBP during FY 2022 from 7 percent to 13.75 percent, which further escalated to 22 percent in June 2023. Foreign direct investment remained

subdued during Fiscal 2023 due to challenging business environment and frequent policy changes. Exports were down to \$ 27.7 billion (FY 2022 \$ 31.8 billion) due to rising cost of business and remittances from overseas Pakistanis decreased to \$ 27.0 billion during outgoing FY 2023 as against \$ 31.3 billion in FY 2022. As a result, the liquid foreign exchange reserves held by State Bank of Pakistan slipped to US \$ 4.5 billion in June 2023. The revival of IMF program in July 2023 together with rollovers from friendly countries helped to avoid sovereign default and increase liquid foreign exchange reserves to US \$ 8 billion in August 2023.

The Country's earnings from exports, foreign direct investment and remittances from workers are vital to keep pace with the import bill. However, all three inflows are projected not to keep pace with the import bill and the mounting debt pressure. There have been no structural reforms that could ease the Country's economic challenges. We are of the view that unless major steps are taken to enhance the tax base the Country will always be dependent on foreign loans to meet the gap in its revenue and expenses.

### **Review of Operations**

The Modaraba posted a profit before tax at Rs. 288.27 million and profit after tax at Rs. 187.50 million as against Rs. 280.96 million and Rs. 170.13 million recorded in June 2022. Profit after tax was 10 percent higher in comparison to June 2022.

Gross revenues at Rs. 1,761.80 million were marginally higher by 4 percent (June 2022: Rs. 1,688.79 million). The rental business for gas generators was lower due to the disruption of gas supplies for most part of the year. This was compensated by the increase in revenue from the diesel generators and the operation and maintenance segment. Operating expenses at Rs. 1,273.17 million were controlled despite inflation and were higher by only 2% against Rs. 1,249.46 million recorded last year. The marginal increase was due to the annual salary increase which was compensated by a decrease in the depreciation of generators and low maintenance cost of generators due to lower deployment. New borrowings and higher interest rates due to the rise in policy rates increased the funding cost by 41 percent from Rs. 65.40 million last year to Rs. 92.22 million in the current year. Other expenses at Rs. 64.78 million were higher by 28 percent which includes an exchange loss of Rs. 14.89 million in the current year arising from the deferment of import related payments by the commercial bank.

The after-tax profit of Rs 187.50 million resulted in an increase in earnings per certificate from Rs. 2.27 last year to Rs. 2.50 in the current year.

### **Profit Distribution**

The Board is pleased to announce a cash dividend of 10% i.e. Re. 1/- per certificate of Rs. 10/- each, subject to deduction of zakat and tax at source, where applicable.

### **Principal Risks and Uncertainties**

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

● **Business Risk**

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

● **Credit Risk**

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

● **Economic Risk**

Pakistan faces considerable challenges to its political and macro-economic stability, particularly fiscal and external account deficits. The performance of Modaraba can be affected by changes in the economic conditions. Factors such as market growth, interest rates and exchange rates could affect the earnings and assets of Modaraba.

● **Liquidity Risk**

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

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

**Future Outlook**

The coming year holds a slightly better outlook for Pakistan as it recovers from its fiscal deficit and adheres to the recommendations and stabilization measures of the IMF-EFF program. With the disbursement of the first tranche under the SBA and \$3 billion in bilateral support, the SBP's FX reserves increased from \$4.5 billion at the end of June 2023 to \$8 billion in August 2023. However, under the IMF's bailout program for Pakistan, there will be an increase in taxes and interest rates. Withdrawal of restrictions on imports has improved the outlook for manufacturing, construction, and allied services. While investments might increase, people and businesses in Pakistan will continue to be affected by global supply chain disruptions and rupee devaluations which will increase the cost of running businesses.



## The Board of Directors

The Board comprises of 6\* directors

Male Directors 4  
Female Directors 1

\*Casual vacancy occurred on the Board as at June 30, 2023 due to the demise of one of the Directors.

The composition of the Board members is as under

Independent Directors 2  
Non-Executive Directors 3  
Executive Directors 1

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

Name	Meetings attended
Mr. Chaudhry Jawaid Iqbal	4
Mr. Nasim Ahmed	4
Mr. Giasuddin Khan*	4
Mr. Azhar Iqbal**	0
Mr. Joozer Jiwakhan	4
Ms. Saba Ahmed Agrawalla	4
Mr. Teizoon Kisat	4

\* Expired on June 3, 2023.

\*\* Appointed as Director on July 17, 2023, to fill the casual vacancy caused due to the demise of Mr. Giasuddin Khan.

## Board Audit Committee

The Board of Directors has established an Audit Committee, in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, which oversees internal controls and compliance and has been working efficiently since its inception. The Audit Committee reviewed the quarterly, half-yearly, and annual financial statements before submission to the Board and their publication. The Audit Committee had detailed discussions with the external auditors on various issues, including their letter to the management. The Audit Committee also reviewed internal auditors' findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

A total of four meetings of the Board Audit Committee were held. The position of attendance was as follows:

Name	Meetings Attended
Mr. Joozer Jiwakhan	4
Mr. Nasim Ahmed	4
Mr. Chaudhry Jawaid Iqbal	4
Ms. Saba Ahmed Agrawalla	4

### Human Resource and Remuneration Committee

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

One meeting was held during the year. The position of attendance is as follows.

Name	Meetings Attended
Mr. Joozer Jiwakhan	1
Mr. Nasim Ahmed	1
Mr. Teizoon Kisat	1

### Risk Management Committee

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

No meeting was held during the year.

### Board Changes

On June 3, 2023, Mr. Giasuddin Khan passed away. Mr. Azhar Iqbal was appointed as Director on July 17, 2023, to fill in the casual vacancy caused by the demise of Mr. Giasuddin Khan. The Board of Directors places on record its appreciation and gratitude for the services rendered by Mr. Giasuddin Khan and welcomes Mr. Azhar Iqbal as Director on the Board.

### Compliance with Corporate Governance

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

### **Corporate and Financial Reporting Framework**

- Financial Statements of Modaraba present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Modaraba have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable to Modarabas in Pakistan, have been followed in preparation of financial statements.
- The system of internal control, which is in place, is being continuously reviewed by internal audit and other such procedures. The process of review will continue and any weakness in controls will be removed.
- There is no reason to doubt the Modaraba's ability to continue as a going concern.
- Summary of key operating and financial data for the period under review is included in this annual report.
- There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2023 except for those disclosed in the financial statements.
- The Modaraba maintains a Provident Fund for its permanent employees. The value of investments based on the unaudited financial statements of the fund as of June 30, 2023, is Rs. 150,764,967 (June 30, 2022: Rs. 88,902,652).

### **Credit Rating**

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

### **Place of Board Meeting**

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

### **Pattern of Certificate Holders**

A Statement showing pattern of Certificate Holding of the Modaraba and additional information as at June 30, 2023 is included in this report along with the proxy form.

### **Directors Training Program**

Four out of five Directors have certifications under the Directors Training Program that meet the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

### **Related Party Transactions**

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

### **Internal Financial Controls**

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

### **Subsequent Events**

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

### **Remuneration Policy of Non-Executive Directors**

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

### **Shariah Audit Report**

The Modaraba continues to seek guidance from its Shariah Advisor, Alhamd Shariah Advisory Services (Pvt) Ltd, as and when required. The internal audit department has also been trained to handle the day-to-day affairs of the Modaraba ensuring complete adherence to Shariah policies and principles. The Shariah Audit Report issued for the affairs of the Modaraba for the period ended June 30, 2023, is attached to the Annual Financial Statements.

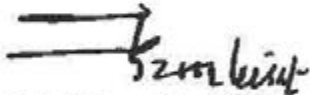
### **Auditors**

On the recommendation of the Audit Committee, the Board has approved the appointment of M/s. Yousuf Adil, Chartered Accountants as auditors for the year ending June 30, 2024 at a remuneration to be mutually agreed, subject to the approval of Registrar of Modaraba Companies & Modarabas.

### Acknowledgement

The Board wishes to place on record its sincere appreciation to the Registrar Modaraba, the 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 expectations by providing quality service, ensuring continued business for the Modaraba.



**Chief Executive Officer**  
September 07, 2023



**Chairman**



## ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

### Annual Shariah Advisor's Report

For the year ended June 30, 2023

In accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas, we have conducted the Shariah review of Orient Rental Modaraba for the financial year ended on June 30, 2023.

#### Summary of Key Shariah Activities and Developments:

During the reviewed period, Orient Rental Modaraba (ORM) engaged in several significant activities that align with Shariah principles:

#### I. Operating Leases and Technical Engineering Services:

ORM entered into multiple operating leases and Technical Engineering Services contracts with reputable clients. These agreements were executed in compliance with Shariah norms and approved formats, adhering to all stipulated conditions.

#### II. Shariah-Conforming Business Transactions:

Our examination and the explanations provided indicate that all business transactions conducted by the Modaraba, as well as related matters, are consistent with Shariah requirements.

#### III. Banking Practices:

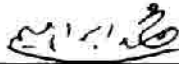
While ORM does not maintain savings accounts with conventional banks, it currently operates two current accounts with conventional banks for taxation and dividend purposes. All other accounts are managed with Islamic banks or the Islamic windows of commercial banks.

#### IV. Risk Mitigation through Takaful:

To mitigate risks, ORM has effectively secured Takaful coverage from Takaful companies for its generators and other assets.

#### Conclusion:

Based on thorough reviews of operating lease and maintenance contract samples, along with associated documentation and processes, we confidently assert that the activities, transactions, and affairs performed by ORM during this fiscal year are compliant with Shariah rules and principles. This compliance is in line with the guidelines issued by the Registrar Modaraba, Securities & Exchange Commission of Pakistan.



**Mufti Muhammad Ibrahim Essa**  
CEO & Director  
Alhamd Shariah Advisory Services (Pvt.) Limited  
Dated: 25<sup>th</sup> August 2023



**Mufti Ubaid ur Rahman Zubairi**  
Director



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

+92 322 2671867 | www.alhamdshariahadvisory.com | info@alhamdshariahadvisory.com

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

For the year ended June 30, 2023

This statement is being presented to comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, for establishing a framework of good governance, whereby a listed Modaraba is managed in compliance with the best practices of corporate governance. EMAN Management (Private) Limited (the Modaraba Management Company) is not listed. However, Orient Rental Modaraba (the Modaraba) is listed on the Pakistan Stock Exchange. The Board of Directors of the Modaraba Management Company is responsible for managing the affairs of the Modaraba.

The Modaraba has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

1. The total number of directors are 6\* as per the following:

- |           |   |
|-----------|---|
| a) Male   | 4 |
| b) Female | 1 |

\*Casual vacancy occurred on the Board as at June 30, 2023 due to the demise of one of the Directors which was subsequently filled on July 17, 2023

2. The composition of Board is as follows:

	Category	Names
a)	Independent Director	Mr. Joozer Jiwakhan Ms. Saba Ahmed Agrawalla
b)	Non-executive Director	Mr. Chaudhry Jawaaid Iqbal Mr. Nasim Ahmed Mr. Giasuddin Khan**
c)	Executive Director	Mr. Teizoon Kijat (CEO)
d)	Female Director	Ms. Saba Ahmed Agrawalla

\*\*Expired on June 03, 2023. Mr. Azhar Iqbal was appointed on July 17, 2023 to fill in the casual vacancy.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Modaraba.
- The Modaraba has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminated it throughout the Modaraba along with its supporting policies and procedures.
- The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Modaraba. 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 Modaraba;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders 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, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for the remuneration of the directors in accordance with the Act and these Regulations;
9. Four out of the five directors have certification under the Director's Training Program as required under the Listed Companies (Code of Corporate Governance), Regulations, 2019;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. During the year Company Secretary and Head of Internal Audit has been appointed.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements of the Modaraba before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee:

Chairman	Mr. Joozer Jiwakhan
Members	Mr. Chaudhry Jawaid Iqbal Mr. Nasim Ahmed Ms. Saba Ahmed Agrawalla

b) Human Resource and Remuneration Committee:

Chairman	Mr. Joozer Jiwakhan
Members	Mr. Nasim Ahmed Mr. Teizoon Kisat

c) Risk Management Committee:

Chairman	Ms. Saba Ahmed Agrawalla
Members	Mr. Chaudhry Jawaid Iqbal Mr. Teizoon Kisat



13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequencies of the meetings of the committees were as follows;

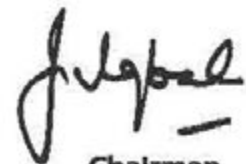
<b>Committee</b>	<b>No. of meeting</b>
Audit Committee	4 (four) meetings
Human Resource and Remuneration Committee	1 (One) meeting

15. The Board has set up an effective internal audit function comprising of suitably qualified and experienced staff who are conversant with the policies and procedures of the 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 (Spouses, parents, dependents and non-dependents children) of the Chief Executive officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or directors of the Modaraba;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.NO	Requirements	Expalaination	Reg No
1	It is encouraged that all directors on Board have acquired the prescribed certification under any director training program offered by the institutions, local or foreign. We noted that one out of five directors has not attended directors' training program;	The Modaraba will make arrangement that required training is provided to remaining director in the current year.	19(1)
2	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate. We noted that no such committee has been constituted in this regard.	The responsibilities as prescribed for the nomination committee are being addressed at Board level as and when needed so a separate committee is not considered to be necessary.	29
3	Company may post following significant policies on it's website: <ul style="list-style-type: none"> <li>• Communication and disclosure policy;</li> <li>• Code of conduct for members of board of directors, senior management and other employees;</li> <li>• Risk management policy;</li> <li>• Internal control policy;</li> <li>• Whistle blowing policy; and</li> <li>• Corporate social responsibility/sustainability/ environmental, social and governance related policy.</li> </ul>	Since this is not a mandatory requirement the Modaraba going forward may consider compliance with this requirement if necessary.	35


**Chief Executive Officer**

September 07, 2023


**Chairman**

## ◆ YOUSUF ADIL

**Yousuf Adil**  
Chartered Accountants

Cavish Court, A-35, Block 7 & 8  
KCHSU, Shahrah-e-Faisal  
Karachi-75350  
Pakistan

Tel: +92 (0) 21 3454 6494-7  
Fax: +92 (0) 21- 3454 1314  
www.yousufadil.com

### **INDEPENDENT AUDITOR'S REVIEW REPORT** **To the certificate holders of Orient Rental Modaraba**

**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 Eman Management (Private) Limited (the Modaraba management company) for and on behalf of Orient Rental Modaraba (the modaraba) for the year ended June 30, 2023 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 Management Company's corporate governance procedures and risks.

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2023.

  
Chartered Accountants

Place: Karachi  
Date: 15 September 2023  
UDIN: GR2023101865s4YJ9MNn

## ◆ YOUSUF ADIL

**Yousuf Adil**  
Chartered Accountants

Cavish Court, A-3b, Block 7 & 8  
KCHSU, Shahrul-e-Faisal  
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Pakistan

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### AUDITOR'S REPORT TO THE CERTIFICATE HOLDERS

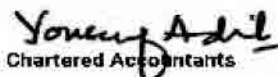
We have audited the annexed balance sheet of Orient rental Modaraba (the Modaraba), as at June 30, 2023 and the related profit and loss account, the statement of comprehensive income, the cash flow statement and the statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year ended June 30, 2023 and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of audit.

These financial statements are the Modaraba Management Company's (Ernan Management Company (Private) Limited) responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the accounting and reporting 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 auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Management Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion proper books of account have been kept by the Modaraba Management Company in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- b) in our opinion:
  - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, and are in the agreement with the books of account and are further in agreement with accounting policies consistently applied except which we concur;
  - ii) the expenditure incurred during the year was the purpose of 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, the statement of comprehensive income, cash flow statement and the statement of changes in equity together with the notes forming part thereof conform with accounting and reporting 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, 2023 and the profit, its comprehensive income, its cash flows and changes in equity for the year the ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The financial statements of the Modaraba for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 23, 2022.

  
Chartered Accountants

Engagement Partner: Shafqat Ali

Place: Karachi

Date: 15 September 2023

UDIN: AR202310186sprjhWU4D

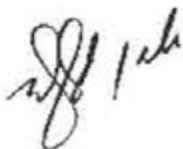
Incorporated & Registered Firm to  
Definite Tenure Technologies Limited

## BALANCE SHEET AS AT JUNE 30, 2023

	Note	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	5	1,305,252,475	1,388,812,457
Right-of-use assets	6	85,186,650	15,076,408
Intangible assets	7	-	56,501
Long term deposits	8	5,028,000	4,698,000
		<u>1,395,467,125</u>	<u>1,408,643,366</u>
<b>Current assets</b>			
Stores, spares and loose tools	9	74,450,140	86,072,705
Trade debtors	10	237,873,784	257,945,918
Unbilled revenue - contract assets		44,712,830	25,667,281
Taxation - net	20	3,611,445	-
Loans, advances, prepayments and other receivable	11	76,240,882	87,449,266
Tax refunds due from Government	12	105,635,177	111,382,460
Cash and bank balances	13	246,423,197	74,536,906
Total current assets		<u>788,947,455</u>	<u>643,054,536</u>
<b>TOTAL ASSETS</b>		<u><b>2,184,414,580</b></u>	<u><b>2,051,697,902</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Authorised capital		750,000,000	750,000,000
75,000,000 certificates of Rs. 10/- each			
Issued, subscribed and paid up capital	14	750,000,000	750,000,000
Statutory reserves	15	199,759,080	162,258,770
Unappropriated profit		303,494,578	153,493,340
Total capital and reserves		<u>1,253,253,658</u>	<u>1,065,752,110</u>
<b>Non-current liabilities</b>			
Diminishing musharaka financing	16	331,921,998	165,437,052
Lease liabilities	17	76,924,304	1,303,369
Deferred taxation	18	58,149,224	51,380,102
		<u>466,995,526</u>	<u>218,120,523</u>
<b>Current liabilities</b>			
Current portion of diminishing musharaka financing	16	176,934,471	265,610,373
Current portion of lease liabilities	17	10,529,266	14,782,780
Creditors, accrued and other liabilities	19	271,598,844	475,625,868
Advance from customer - contract liabilities		4,942,361	5,824,303
Unclaimed dividend		160,454	161,844
Taxation - net	20	-	5,820,101
		<u>464,165,396</u>	<u>767,825,269</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,184,414,580</b></u>	<u><b>2,051,697,902</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	21		

The annexed notes from 1 to 44 form an integral part of these financial statements.

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



Chief Financial Officer



Chief Executive Officer



Director



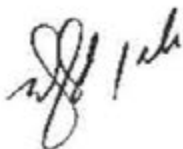
Director

**PROFIT AND LOSS ACCOUNT  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Note	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
Ijarah rentals - net	22	1,079,276,419	1,087,731,762
Operation and maintenance income - net	23	682,525,821	601,061,890
		<u>1,761,802,240</u>	<u>1,688,793,652</u>
Operating expenses	24	(1,273,175,946)	(1,249,463,477)
Gross Profit		<u>488,626,294</u>	<u>439,330,175</u>
Administrative expenses	25	(51,944,798)	(51,924,228)
Other Expenses	26	(14,945,050)	(522,355)
Other Income	27	25,034,297	14,293,905
Finance costs	28	(92,216,076)	(65,399,341)
Impairment loss on financial assets	10	(22,926,402)	(12,557,823)
		<u>(156,998,029)</u>	<u>(116,109,842)</u>
		<u>331,628,265</u>	<u>323,220,333</u>
Modaraba Management Company's fee	29	(33,162,827)	(32,322,033)
Provision for Sindh Sales tax on Modaraba Management fees		(4,311,168)	(4,201,864)
Provision for Sindh Workers' Welfare Fund		(5,883,085)	(5,733,929)
Profit before taxation		<u>288,271,185</u>	<u>280,962,507</u>
Taxation	30	(100,769,637)	(110,829,182)
Profit for the year		<u><u>187,501,548</u></u>	<u><u>170,133,325</u></u>
Earnings per certificate - basic and diluted	31	<u>2.50</u>	<u>2.27</u>

The annexed notes from 1 to 44 form an integral part of these financial statements.

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



Chief Financial Officer



Chief Executive Officer



Director



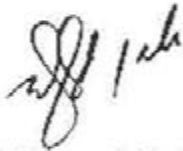
Director

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023**

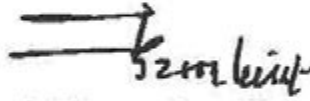
	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
Profit for the year	187,501,548	170,133,325
Other comprehensive income	-	-
Total comprehensive income for the year	<u>187,501,548</u>	<u>170,133,325</u>

The annexed notes from 1 to 44 form an integral part of these financial statements.

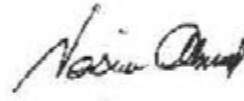
**For Eman Management (Private) Limited  
(Modaraba Management Company)**



Chief Financial Officer



Chief Executive Officer



Director



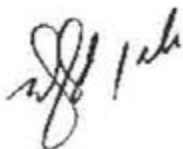
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		288,271,185	280,962,507
Adjustments for:			
Depreciation on tangible assets		169,742,620	209,775,984
Depreciation on right-of-use assets		17,087,514	13,766,579
Amortization on Intangible assets		56,501	419,184
Impairment loss on financial assets		22,926,402	12,557,823
Provision for stores, spares and loose tools		16,814,398	-
Finance costs		92,216,076	65,399,341
Exchange loss		-	79,737
Gain on disposal of tangible assets		(147,700)	(7,302,568)
Provision for Sindh Workers' Welfare Fund		5,883,085	5,733,929
Income on term deposit receipts		(14,939,927)	-
Income on deposits with banks		(9,946,670)	(6,991,337)
		<u>299,692,299</u>	<u>293,438,672</u>
Cash generated before working capital changes		587,963,484	574,401,179
<b>Working Capital Changes</b>			
<b>(Increase) / Decrease in current assets</b>			
Stores, spares and loose tools		(5,191,833)	(14,949,971)
Unbilled revenue		(19,045,549)	16,008,851
Trade debtors		(2,854,268)	(98,698,368)
Long term deposits		(330,000)	-
Loans, advances, prepayments and other receivables		11,208,384	(29,737,232)
		<u>(16,213,266)</u>	<u>(127,376,720)</u>
<b>Increase / (Decrease) in current liabilities</b>			
Creditors, accrued and other liabilities		(223,003,759)	111,652,400
Advance from customer - contract liabilities		(881,942)	(2,757,780)
Income tax paid		(97,684,779)	(72,748,068)
Finance cost paid		(75,421,116)	(66,480,848)
Purchased tangible assets under Ijarah		(73,464,168)	(163,592,426)
Income on term deposit receipts		14,939,927	-
Income on deposits with banks		9,946,670	7,580,272
<b>Net cash generated from operating activities</b>		<u>126,181,051</u>	<u>260,678,009</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchased own tangible assets		(13,558,470)	(6,642,145)
Proceeds from disposal of tangible assets		987,700	27,162,079
<b>Net cash generated from investing activities</b>		<u>(12,570,770)</u>	<u>20,819,934</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Diminishing musharaka financing obtained		340,000,000	9,360,000
Repayment of diminishing musharaka financing	16	(262,190,956)	(292,468,200)
Repayment of finance cost - lease liabilities		(3,701,310)	(2,030,872)
Repayment of lease liabilities	17	(15,830,334)	(12,926,253)
Dividend paid		(1,390)	(75,099,693)
<b>Net cash generated from / (used in) financing activities</b>		<u>58,276,010</u>	<u>(373,165,018)</u>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<u>171,886,291</u>	<u>(91,667,075)</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>74,536,906</u>	<u>166,203,981</u>
<b>Cash and cash equivalents at end of year</b>	13	<u>246,423,197</u>	<u>74,536,906</u>

The annexed notes from 1 to 44 form an integral part of these financial statements.

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



Chief Financial Officer



Chief Executive Officer



Director



Director



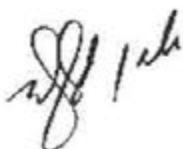
**STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED JUNE 30, 2023**

	Paid-up certificate capital	Statutory reserve*	Revenue reserve	
			Unappropriated profit	Total
	(Rupees)			
Balance at June 30, 2021	750,000,000	128,232,105	92,386,680	970,618,785
Profit for the year	-	-	170,133,325	170,133,325
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	170,133,325	170,133,325
Transfer to statutory reserve	-	34,026,665	(34,026,665)	-
<b>Transactions with owners</b>				
Profit distribution for the year ended June 30, 2021 @ Re. 1 per certificate	-	-	(75,000,000)	(75,000,000)
Balance as at June 30, 2022	750,000,000	162,258,770	153,493,340	1,065,752,110
Profit for the year	-	-	187,501,548	187,501,548
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	187,501,548	187,501,548
Transfer to statutory reserve	-	37,500,310	(37,500,310)	-
Balance as at June 30, 2023	750,000,000	199,759,080	303,494,578	1,253,253,658

\* Statutory reserve represents profit set aside at the discretion of the management as allowed under the Modaraba Regulations, 2021 issued by Securities and Exchange Commission of Pakistan.

The annexed notes from 1 to 44 form an integral part of these financial statements.

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



Chief Financial Officer



Chief Executive Officer



Director



Director

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023**

### **1. LEGAL STATUS AND NATURE 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 geographical location and address of Modaraba's business units are as follows:

#### **Registered office**

Plot No. 9, Sector 24, Korangi Industrial Area, Karachi.

#### **Other offices**

<b>S.no</b>	<b>Address</b>
-------------	----------------

- |   |  |
|---|--|
| 1 | 1st Floor, Sulaiman Centre, Plot No 5C-5, Sector 15, at Brookes Chowrangji, Karachi, Pakistan. |
| 2 | 1 KM, Defence Road, Off, Raiwind Road Lahore, Pakistan.  |

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Act, 2017 and made applicable to Modarabas;
- Provisions of and directives issued under the Companies Act, 2017; and

- Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where provisions of and directives issued under the Companies Act, 2017, Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, the Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ from the requirements of International Financial Reporting Standards (IFRS) the provisions of and directives issued under the Companies Act, 2017, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) shall be followed.

## **2.2 Basis of measurement**

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

## **2.3 Functional and presentation currency**

Items included in the financial statements of the Modaraba are measured using the currency of the primary economic environment in which the Modaraba operates (the functional currency). The financial statements are presented in Pakistan Rupee, which is the Modaraba's functional and presentation currency.

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

## **2.4 Amendments to accounting standards that are effective for the year ended June 30, 2023**

The following amendments are effective for the year ended June 30, 2023. These amendments are either not relevant to the Modaraba's operations or are not expected to have significant impact on the Modaraba's financial statements other than certain additional disclosures.

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - cost of fulfilling a contract

Annual Improvements to IFRS Standards 2018-2020 Cycle

## **2.5 Amendments to accounting standards that are not yet effective**

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

	<b>Effective from Accounting period beginning on or after</b>
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income taxes' - International Tax Reform - Pillar Two Model Rules	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments Disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 - 'Investments in Associate and Joint Ventures'	Deferred indefinitely

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

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

### **3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the Modarba's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In the process of applying the Modarba's accounting policies, management has made the following estimates and judgements which are significant to the financial statements.

### **3.1 Useful lives, pattern of flow of economic benefits and impairment of tangible and intangible assets**

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

### **3.2 Impairment loss on financial assets**

The Modaraba reviews its doubtful debtors at each reporting date to assess whether provision should be recorded in the profit and loss account in addition to the mandatory provision required in accordance with the Modaraba Regulations, 2021 issued by the SECP. In particular, judgement by management is required in the estimates of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions. The Modaraba also takes into account the implication of IFRS-9 in its recognition of Expected Credit Loss while considering the aging analysis using factors that are based on assumptions.

### **3.3 Stores, spares and loose tools**

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

The Modaraba exercises judgement and makes provision for slow moving stores, spares and loose tools based on the their future usability.

### **3.4 Right of use assets and their related lease liabilities**

The Right of use assets includes initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. Right of use assets are depreciated over the shorter period of lease term and useful life of the right of use assets. Further, the modaraba remeasured the lease liability when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate. The corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit and loss account if the carrying amount of right-of-use assets has been reduced to zero.

### **3.5 Provision for taxation**

The Modaraba takes into account the relevant provisions of the prevailing income tax laws while providing for current and deferred taxes as explained in note 4.16 of these financial statements.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

##### **4.1 Tangible assets**

###### **4.1.1 Own use**

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

The cost of replacing part of an item of tangible asset is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Modaraba and its cost can be measured reliably.

Repairs and maintenance are charged to profit and loss account as and when incurred. The residual values, useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation on tangible assets, is charged to profit and loss account applying straight line method using the life mentioned in note 5.1. Depreciation is charged from the month of addition and no depreciation is charged in the month of disposal.

Where the carrying amount of tangible assets are greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of tangible assets are taken to the profit and loss account in the year in which asset is disposed of.

###### **4.1.2 Assets under Ijarah**

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

The cost of replacing part of an item of tangible assets under ijarah is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Modaraba and its cost can be measured reliably.

Repairs and maintenance are charged to profit and loss account as and when incurred. The residual values, useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation on tangible assets under Ijarah is charged to profit and loss account applying straight line method using the life mentioned in note 5.1. Depreciation is charged from the month of addition and no depreciation is charged in the month of disposal.

Where the carrying amount of tangible assets under Ijarah are greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of tangible assets are taken to the profit and loss account in the year in which asset is disposed of.

#### **4.1.3 Capital work in progress**

These are stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred and advances made during installation and construction period are carried under this head. These are transferred to specific asset as and when the asset is available for its intended use.

#### **4.2 Right of use assets and their related lease liabilities**

The Modaraba accounts for right-of-use assets acquired under lease agreement by recording the right-of-use assets and related lease liabilities.

The right-of-use asset is initially measured based on the following:

- initial amount of the lease liability;
- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is depreciated on a straight line method over the shorter of lease-term or asset's economic life. The right-of-use asset is reduced by impairment loss, if any, and adjusted for certain re-measurements of the lease liability.

Initially on lease commencement date, the lease liability is measured at the present value of unpaid lease payments. These unpaid lease payments are discounted using profit rate implicit in the lease, if readily determinable. If that rate cannot be readily determined then the incremental borrowing rate is used.

The lease liability is subsequently measured (at amortized cost) by increasing the carrying amount to reflect profit on the lease liability using the effective profit method and by reducing the carrying amount to reflect the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Modaraba's estimate of the amount expected to be payable under a residual value guarantee, or if the Modaraba changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

For short term leases and leases of low / immaterial value assets, the Modaraba recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### **4.3 Intangible assets**

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

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

All intangible assets are estimated to have definite useful lives and are amortised using the straight line method over life mentioned in note 7. Amortisation on addition is charged from the month on which asset is available for use up to the month preceding the disposal of asset.

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

#### **4.4 Stores, spare parts and loose tools**

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

#### **4.5 Ijarah rentals and operation and maintenance income receivable**

These are stated at amount receivable which is fair value of consideration receivable for services rendered, less an estimate made for doubtful receivables determined at a higher of provision as per Modaraba Regulations 2021, and using expected credit loss model (ECL) as required by IFRS 9 as at reporting date. Balances considered bad and irrecoverable are written off when identified.



#### **4.6 Loan, advances, prepayments and other receivable**

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

#### **4.7 Staff retirement benefits**

##### **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligation for contribution to provident fund are recognized as an employee benefit expense in profit and loss account as incurred.

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

#### **4.8 Provisions**

A provision is recognized in the balance sheet when the Modaraba has a present legal or constructive obligation as a result of a past event, 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 adjusted to reflect current best estimate.

#### **4.9 Financial Instruments**

Financial assets and financial liabilities are recognised in the Modaraba's balance sheet when the Modaraba becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit and loss account.

#### 4.9.1 Financial assets

##### Classification

IFRS 9 contains three principal classification categories for financial assets at:

- i) Measured at amortised cost ("AC");
- ii) Fair value through other comprehensive income ("FVTOCI"); and
- iii) Fair value through profit or loss ("FVTPL").

##### i) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

##### ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Modaraba may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

##### iii) Financial assets at fair value through profit or loss (FVTPL)

All other financial assets are classified as FVTPL (for example: equity held for trading and debt securities not classified either as amortised cost or FVTOCI).

In addition, on initial recognition, the Modaraba may designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Modaraba changes its business model for managing financial assets.

All the financial assets of the Modaraba as at reporting date are carried at amortized cost.

#### **Derecognition of financial assets**

The Modaraba derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Modaraba neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Modaraba recognises its retained profit in the asset and an associated liability for amounts it may have to pay. If the Modaraba retains substantially all the risks and rewards of ownership of a transferred financial asset, the Modaraba continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the profit and loss account.

#### **4.9.2 Subsequent measurement of financial assets**

##### **Financial assets at amortised cost**

Financial assets at amortised cost are subsequently measured at amortised cost. Amortised cost is calculated using the effective profit rate method. The effective profit rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial assets.

##### **Financial assets at FVTOCI**

All financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income (OCI).

For debt instruments classified as financial assets at FVTOCI, the amounts in other comprehensive income are reclassified to income statement on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVTOCI, where there is no reclassification on derecognition.

### **Financial assets at FVTPL**

All financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the profit and loss account.

### **4.9.3 Financial liabilities**

All financial liabilities are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective profit method. The effective profit method is a method of calculating the amortized cost of a financial liability and of allocating profit expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

### **4.9.4 Impairment**

#### **Financial assets**

The Modaraba recognizes a loss allowance for expected credit loss "ECL" on trade debtors. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Modaraba always recognizes lifetime ECL for trade debtors. The ECL on these financial assets are estimated using a provision matrix based on the Modaraba's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Modaraba recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Modaraba measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### **Non-financial assets**

The carrying amounts of non-financial assets are reviewed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### **4.9.5 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to off set the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

On initial recognition, for an equity investment that is not held for trading, the Modaraba may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income (OCI).

#### **4.10 Foreign currencies**

Transactions in foreign currencies are translated in Pakistan Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated in Pakistan Rupees at the exchange rates prevailing at the reporting date. Exchange gains and losses are charged to profit and loss account.

#### **4.11 Revenue recognition**

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

##### **4.11.1 Ijarah rentals**

Ijarah rentals are recognised as income on an accrual basis, as and when rentals become due on a systematic basis over the Ijarah period i.e. when performance obligation is satisfied and are billed on a monthly basis.

##### **4.11.2 Operation and maintenance services**

Revenue from operation and maintenance services is recognised on a systematic basis over the period i.e. when performance obligation is satisfied.

##### **4.11.3 Income on deposit accounts and term deposits with banks**

Returns on bank deposits and term deposits are recognized on accrual basis.

#### **4.12 Cash and bank balances**

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, short-term running finances and term deposit receipts of less than 3 months.

#### **4.13 Dividend distribution and other appropriations of profit**

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

#### **4.14 Earnings per certificate**

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

#### **4.15 Taxation**

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### **4.15.1 Current Tax**

The charge for current tax is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

##### **4.15.2 Deferred Tax**

Deferred tax is recognized using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

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

#### **4.16 Creditors, accrued and other liabilities**

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

#### **4.17 Diminishing musharaka financing payable**

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

#### **4.18 Segment Reporting**

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

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

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

#### 4.19 Changes in estimate

During the year, management decided to change estimate of depreciation for generators, machinery and equipment under ijarah from actual hours to straight line method. Depreciation is charged on the basis of remaining operating life with effect from the date the generator or machinery is commission after taking into account the estimated residual value. Considering these, as a change in accounting estimate as per IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Had there been no change in estimate, the effect on profit and loss account for the year ended June 30, 2023 would have been as follows:

	Depreciation before change	Depreciation after change	Effect on profit and loss account
	(Rupees)		
- Generators under Ijarah	113,328,296	127,598,188	(14,269,892)
- Machinery and equipment under Ijarah	10,679,386	10,095,447	583,939
	<b>124,007,682</b>	<b>137,693,635</b>	<b>(13,685,953)</b>

	Note	2023 (Rupees)	2022 (Rupees)
<b>5. FIXED ASSETS</b>			
Own use	5.1	32,997,789	33,209,709
Assets under ijarah	5.1	1,272,254,686	1,348,633,644
Capital work in progress	5.2	-	6,969,104
		<b>1,305,252,475</b>	<b>1,388,812,457</b>



5.1 Tangible assets

Description	LMPAH (Note 5.1.3)					OWR USE					Sub-total	Total	
	Generators	Accessories	Machinery and equipment	Sub-total	Electronic appliances	Motor vehicle (Note 5.1.3)	Furniture and fixture	Generators	Leasehold improvements				
<b>Year ended June 30, 2023</b>													
Opening net book value	1,240,059,252	48,911,565	59,652,333	1,348,623,150	2,866,755	15,124,362	590,765	743,169	13,544,657		33,209,209	1,381,833,353	
Additions	31,696,024	2,400,000	39,367,244	73,464,168	2,633,046	3,357,865	-	-	7,231,559		13,538,470	87,002,638	
Transfer from Capital work-in-progress	3,272,228	-	2,702,600	5,974,828	(1,322,218)	-	-	-	994,475		994,475	6,969,104	
Reclassified	(1,160,000)	1,160,000	-	-	-	-	-	-	1,322,218		-	1,322,218	
Cost	94,136,274	-	(2,026,796)	96,963,599	-	65,000	-	-	-		65,000	7,018,534	
Accumulated depreciation	3,296,752	-	2,026,796	6,133,538	-	53,000	-	-	-		53,000	6,178,538	
Deposable - NBY	(940,000)	-	-	(940,000)	-	-	-	-	-		-	(940,000)	
Depreciation	(1,275,984)	(1,284,209)	(10,059,447)	(12,620,000)	(1,606,340)	(2,374,500)	(945,595)	(261,299)	(9,675,763)		(1,479,869)	(169,742,600)	
<b>Closing net book value</b>	<b>1,145,639,615</b>	<b>35,188,041</b>	<b>91,627,030</b>	<b>1,272,454,686</b>	<b>3,677,237</b>	<b>16,317,722</b>	<b>84,830</b>	<b>480,874</b>	<b>13,517,126</b>		<b>32,997,789</b>	<b>1,305,332,475</b>	
Cost	1,824,256,695	130,257,220	119,755,165	2,074,271,080	19,027,021	29,599,439	3,972,863	1,639,344	46,532,894		100,716,561	2,174,995,441	
Accumulated depreciation	(678,617,269)	(56,068,979)	(78,128,133)	(802,814,194)	(16,448,794)	(13,251,717)	(3,633,263)	(1,158,479)	(63,015,768)		(67,718,272)	(869,242,860)	
<b>Net book value</b>	<b>1,145,639,615</b>	<b>35,188,041</b>	<b>91,627,030</b>	<b>1,272,454,686</b>	<b>3,677,237</b>	<b>16,317,722</b>	<b>84,830</b>	<b>480,874</b>	<b>13,517,126</b>		<b>32,997,789</b>	<b>1,305,332,475</b>	
<b>Year ended June 30, 2022</b>													
Opening net book value	1,283,896,807	48,230,736	56,699,707	1,388,997,270	3,657,996	17,712,277	1,634,440	1,071,026	12,283,150		42,263,887	1,431,051,157	
Additions	35,566,735	16,885,694	10,000,000	62,452,429	1,707,714	490,683	50,700	-	-		2,217,697	64,699,527	
Transfer from Capital work-in-progress	126,853,312	4,779,863	-	111,643,155	727,942	-	-	-	3,597,606		44,255,448	116,068,163	
Cost	(53,340,000)	-	-	(53,340,000)	-	(521,301)	-	-	-		(521,301)	(53,861,301)	
Accumulated depreciation	(8,521,739)	-	-	(8,521,739)	-	(521,301)	-	-	-		(521,301)	(9,043,040)	
Deposable - NBY	(1,930,000)	-	-	(1,930,000)	-	-	-	-	-		-	(1,930,000)	
Depreciation	(166,348,919)	(20,974,672)	(7,287,374)	(194,611,000)	(3,221,340)	(2,717,292)	(862,379)	(327,867)	(7,935,099)		(1,516,622)	(209,775,864)	
<b>Closing net book value</b>	<b>1,240,059,252</b>	<b>48,911,565</b>	<b>59,652,333</b>	<b>1,348,623,150</b>	<b>2,866,755</b>	<b>15,124,362</b>	<b>930,766</b>	<b>743,169</b>	<b>13,544,657</b>		<b>33,209,209</b>	<b>1,381,833,353</b>	
Cost	1,794,593,394	126,696,429	80,511,207	2,001,801,030	17,712,188	26,066,575	3,972,863	1,639,344	36,884,642		86,218,617	2,088,002,238	
Accumulated depreciation	(554,525,644)	(77,794,879)	(20,859,674)	(653,180,197)	(14,845,430)	(10,942,213)	(2,987,597)	(866,179)	(23,335,963)		(63,208,908)	(716,178,853)	
<b>Net book value</b>	<b>1,240,059,252</b>	<b>48,911,565</b>	<b>59,652,333</b>	<b>1,348,623,150</b>	<b>2,866,755</b>	<b>15,124,362</b>	<b>930,766</b>	<b>743,169</b>	<b>13,544,657</b>		<b>33,209,209</b>	<b>1,381,833,353</b>	
<b>Depreciation rate</b>	<b>5%*</b>	<b>10% - 50%</b>	<b>10%*</b>		<b>33%</b>	<b>20%</b>	<b>25%</b>	<b>20%</b>	<b>20% - 25%</b>				

\*From the year of manufacture

5.1.1 Above assets include fully depreciated assets costing Rs. 115,623 million (2022: Rs. 325,795 million) still in the Modaraba use.

5.1.2 This includes generators, related equipment and plant and machinery acquired by the Modaraba amounting to Rs. 20 million (2022: Rs. 26.156 million), Rs. NE (2022: Rs. 2,988 million) and Rs. NE (2022: Rs. 10 million) from Orient Energy Systems (Private) Limited, an associated company.

5.1.3 This includes generators, machinery and equipments, and motor vehicles taken under financing Murabaha amounting to Rs. 697.548 million (2022: Rs. 671.792 million), Rs. 87,980 million (2022: Rs. 47,982 million) and Rs. 4,380 million (2022: Rs. 4,380 million) respectively.

5.1.4 Breakup of Depreciation is as follows

	2023	2022
Operating Expenses	157,918,086	207,650,697
Administrative Expenses	1,833,934	2,295,387
	<b>169,752,020</b>	<b>209,946,084</b>

**5.1.5 Disposals of tangible assets**

Particulars	Cost of asset	Accumulated depreciation	Carrying value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers	Relationship of purchaser with the Modaraba
(Rupees)								
<b>Machinery</b>								
RICOH Copier Pro	972,222	(972,222)	-	20,000	20,000	Negotiation	Daniyal Scrap Traders	None
RICOH Copier Pro	651,852	(651,852)	-	20,000	20,000	Negotiation	Daniyal Scrap Traders	None
RICOH Copier Pro	394,872	(394,872)	-	20,000	20,000	Negotiation	Daniyal Scrap Traders	None
RICOH Copier Pro	240,000	(240,000)	-	20,000	20,000	Negotiation	Daniyal Scrap Traders	None
Xerox Printer	567,840	(567,840)	-	20,000	20,000	Negotiation	Daniyal Scrap Traders	None
	2,826,786	(2,826,786)	-	100,000	100,000			
<b>Generator</b>								
Generators	4,136,752	(3,296,752)	840,000	840,000	-	Negotiation	My Cart Pvt. (Ltd.)	Customer
<b>Motor vehicle</b>								
Super power sp 70	55,000	(55,000)	-	47,700	47,700	Negotiation	Insurance claim	None
2023	7,018,538	(6,178,538)	840,000	987,700	147,700			
2022	38,661,301	(18,501,791)	20,159,510	77,462,078	7,302,568			

Note 2023  
(Rupees) 2022

**5.2 Capital work-in-progress**

Generators under overhauling	-	3,272,029
Machinery and Equipment	-	2,702,600
Civil Works	-	994,475
5.2.1	-	6,969,104

**5.2.1 Capital work-in-progress**

	Generators under overhauling	Advance to suppliers	Accessories	Machinery and Equipment	Civil works	Total
(Rupees)						
As at June 30, 2021	11,954,974	727,442	4,779,803	-	-	17,462,219
Additions during the year	98,180,367	-	-	2,702,600	4,692,080	105,575,047
Transferred to tangible assets	(106,863,312)	(727,442)	(4,779,803)	-	(3,697,605)	(116,068,162)
<b>As at June 30, 2022</b>	3,272,029	-	-	2,702,600	994,475	6,969,104
Transferred to tangible assets	(3,272,029)	-	-	(2,702,600)	(994,475)	(6,969,104)
<b>As at June 30, 2023</b>	-	-	-	-	-	-

	Note	2023	2022
		(Rupees)	
<b>6. RIGHT-OF-USE ASSETS</b>			
<b>Cost</b>			
Opening balance		53,074,035	25,190,663
Addition during the year		87,197,755	27,883,372
Closing balance		140,271,790	53,074,035
<b>Less: Accumulated depreciation</b>			
Opening balance		37,997,627	24,231,048
Charge for the year	6.1	17,087,513	13,766,579
Closing balance		55,085,140	37,997,627
<b>Carrying value</b>		<b>85,186,650</b>	<b>15,076,408</b>
<b>6.1</b>	Depreciation is charged using lease term of 2 - 5 years applying straight line basis and has been charged in operating expenses.		
<b>7. INTANGIBLE ASSETS</b>			
<b>Software and license</b>			
<b>Cost</b>		838,370	838,370
<b>Amortization</b>			
- Opening		781,869	362,685
- For the year	25	56,501	419,184
Accumulated amortization		838,370	781,869
<b>Net book value as at June 30</b>		<b>-</b>	<b>56,501</b>
Annual amortization rate		50%	50%
<b>8. LONG TERM DEPOSITS</b>			
Security deposits		5,028,000	4,698,000

		<u>2023</u>	<u>2022</u>
		(Rupees)	
<b>9.</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>		
	Stores, spares and loose tools	90,202,288	84,554,511
	Provision for stores, spares and loose tools	<u>(16,814,398)</u>	<u>-</u>
		73,387,890	84,554,511
	Spare parts and loose tools - in transit	1,062,250	1,518,194
		<u>74,450,140</u>	<u>86,072,705</u>
<b>10.</b>	<b>TRADE DEBTORS</b>		
	Ijarah rentals	165,921,640	177,558,647
	Operation and maintenance income	<u>101,960,774</u>	<u>101,597,105</u>
		267,882,414	279,155,752
	Impairment loss on financial assets	10.2 to 10.3.1 <u>(30,008,630)</u>	<u>(21,209,834)</u>
		<u>237,873,784</u>	<u>257,945,918</u>
<b>10.1</b>	Trade debtors includes exposure which are secured by way of security deposits of Rs. 4.460 million (2022: Rs. 9.009 million).		
<b>10.2</b>	<b>Ijarah rentals</b>		
	Considered good	147,373,565	163,826,001
	Considered doubtful - classified portfolio	<u>18,548,075</u>	<u>13,732,646</u>
		165,921,640	177,558,647
	Impairment loss on ijarah rentals	10.2.1 <u>(18,548,075)</u>	<u>(12,142,164)</u>
		<u>147,373,565</u>	<u>165,416,483</u>
<b>10.2.1</b>	<b>Impairment loss on Ijarah rentals</b>		
	Opening balance	12,142,164	22,097,351
	Charged during the year	20,202,917	7,792,648
	Written off during the year	<u>(13,797,006)</u>	<u>(17,747,835)</u>
	Closing balance	<u>18,548,075</u>	<u>12,142,164</u>
<b>10.3</b>	<b>Operation and maintenance income</b>		
	Considered good	90,500,219	92,529,435
	Considered doubtful - classified portfolio	<u>11,460,555</u>	<u>9,067,670</u>
		101,960,774	101,597,105
	Impairment loss on operation and maintenance	10.3.1 <u>(11,460,555)</u>	<u>(9,067,670)</u>
		<u>90,500,219</u>	<u>92,529,435</u>

2023                      2022  
----- (Rupees) -----

**10.3.1 Impairment loss on operation and maintenance**

Opening balance	9,067,670	30,779,852
Charged during the year	2,723,485	4,765,175
Written off during the year	(330,600)	(26,477,357)
Closing balance	11,460,555	9,067,670

**10.4** As at the reporting date, the provision has been recognized based on expected credit loss (ECL) being higher of provision under the Modaraba Regulations 2021 and IFRS 9.

**11. LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**

Takaful claim receivable		6,194,048	2,620,272
Sales tax receivables	11.1	32,361,095	65,664,083
Loans to staff		6,021,692	3,577,513
Advances		16,947,534	6,719,070
Earnest money		2,473,517	1,029,028
Prepayments		3,436,132	4,976,850
Security deposits		7,292,940	2,659,470
Profit receivable from bank		1,513,924	-
Other receivables		-	202,980
		76,240,882	87,449,266

**11.1** This amount includes sales tax input adjustable on account of purchase of tangible assets and stores, spares and loose tools from Orient Energy Systems (Private) Limited, an associated company.

**12 TAX REFUNDABLE DUE FROM GOVERNMENT**

Income tax refundable		105,635,177	111,382,460
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This represents income tax refundable due from government for the years upto June 30, 2021.

The ageing of tax refund due from government at the year-end was as follows:

Tax Year 2018		5,390,006	11,137,289
Tax Year 2019		73,893,877	73,893,877
Tax Year 2020		17,988,940	17,988,940
Tax Year 2021		8,362,354	8,362,354
		105,635,177	111,382,460

	Note	2023 ————— (Rupees) —————	2022 ————— (Rupees) —————
<b>13. CASH AND BANK BALANCES</b>			
With banks			
- in deposit accounts	13.1	100,395,699	71,277,308
- in current accounts		5,370,866	2,836,679
- term deposit receipts	13.2	140,000,000	-
		<u>245,766,565</u>	<u>74,113,987</u>
Cash in hand		656,632	422,919
		<u>246,423,197</u>	<u>74,536,906</u>
<b>13.1</b>	These balances carry profit at rates ranging from 5% to 7% (2022: 4% to 7%) per annum.		
<b>13.2</b>	It represents term deposit receipts placed for 30 days at an profit rate ranging from 19.55% to 19.75% (2022: Nil) per annum.		
<b>14. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>			
		2023	2022
		Number of	Number of
		certificates	certificates
		<u>75,000,000</u>	<u>75,000,000</u>
		750,000,000	750,000,000
		<u>750,000,000</u>	<u>750,000,000</u>
		Modaraba certificates of Rs. 10 each fully paid in cash	
<b>14.1</b>	Eman Management (Private) Limited (the Management Company) held 7,500,000 (10%) certificates of Rs. 10 each as at June 30, 2023 (2022: 7,500,000).		
<b>15. STATUTORY RESERVE</b>			
	Statutory reserve represents profits set aside at the discretion of the management as allowed under the Modaraba Regulations, 2021 issued by Securities and Exchange Commission of Pakistan.		
<b>16. DIMINISHING MUSHARAKA FINANCING</b>			
<b>Secured</b>			
Diminishing musharaka financing	16.1	508,856,469	431,047,425
Current portion shown in current liabilities		(176,934,471)	(265,610,373)
		<u>331,921,998</u>	<u>165,437,052</u>

	2023	2022
	(Rupees)	
<b>16.1</b>	<b>Movement in diminishing musharaka financing</b>	
Opening Balance	431,047,425	714,155,625
Obtained during the year	340,000,000	9,360,000
Repaid during the year	<u>(262,190,956)</u>	<u>(292,468,200)</u>
Closing Balance	<u>508,856,469</u>	<u>431,047,425</u>
<b>16.2</b>	These facilities are secured against the hypothecation of assets under ijarah of Rs.1,263.200 million (2022: Rs.923.200 million). Share of profit payable on these facilities is 10.26% to 24.47%. As at reporting date, total approved facilities stands at Rs.1,263.200 million, unutilize facilities of Rs. Nil.	
<b>17.</b>	<b>LEASE LIABILITIES</b>	
Lease liabilities	87,453,570	16,086,149
Current portion shown in current liabilities	<u>(10,529,266)</u>	<u>(14,782,780)</u>
	<u>76,924,304</u>	<u>1,303,369</u>
<b>17.1</b>	<b>Movement</b>	
Balance at the beginning of the year	16,086,149	1,179,030
Additions during the year	87,197,755	27,833,372
Repayment	<u>(15,830,334)</u>	<u>(12,926,253)</u>
Lease liabilities	<u>87,453,570</u>	<u>16,086,149</u>
Current portion shown in current liabilities	<u>(10,529,266)</u>	<u>(14,782,780)</u>
Balance as at June 30	<u>76,924,304</u>	<u>1,303,369</u>
<b>17.2</b>	<b>Maturity analysis</b>	
	The future minimum lease payments under the lease agreements and the periods in which they will become due are as follows:	

	2023		2022	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	(Rupees)			
Not later than 1 year	26,296,740	10,529,266	15,704,977	14,782,780
Later than one year but not more than 5 years	107,219,829	76,924,304	1,313,964	1,303,369
	<u>133,516,569</u>	<u>87,453,570</u>	<u>17,018,941</u>	<u>16,086,149</u>
Financial charges allocable to future periods	(46,062,999)	-	(932,792)	-
	<u>87,453,570</u>	<u>87,453,570</u>	<u>16,086,149</u>	<u>16,086,149</u>
Current portion	(10,529,266)	(10,529,266)	(14,782,780)	(14,782,780)
	<u>76,924,304</u>	<u>76,924,304</u>	<u>1,303,369</u>	<u>1,303,369</u>

It represents lease liabilities against the right-of-use assets recognized with respect to rental premises. All the future rentals have been discounted at the Modaraba's weighted average borrowing rate to recognize the right-of-use assets and related lease liabilities.

## 18. DEFERRED TAXATION

	Opening balance	Recognized in profit and loss account	Closing balance
	(Rupees)		
<b>Movement for the year ended June 30, 2023</b>			
Deductible temporary differences in respect of:			
Provision for:			
- creditors, accrued and other liabilities	6,878,384	(615,651)	6,262,733
- amortisation on Intangible assets	74,162	(74,162)	-
- provision of trade debtors	6,150,852	3,451,910	9,602,762
- stores, spares and loose tools	-	5,380,607	5,380,607
- lease liabilities	4,664,983	23,322,372	27,987,355
	<u>17,768,381</u>	<u>31,465,076</u>	<u>49,233,457</u>



	Opening balance	Recognized in profit and loss account	Closing balance
	----- (Rupees) -----		
Taxable temporary differences in respect of:			
- accelerated tax depreciation	66,122,949	14,000,004	80,122,953
- right-of-use assets	3,025,534	24,234,194	27,259,728
	69,148,483	38,234,198	107,382,681
Deferred tax liability	<u>51,380,102</u>	<u>6,769,122</u>	<u>58,149,224</u>
Movement for the year ended June 30, 2022			
Deductible temporary differences in respect of:			
Provision for:			
- unused tax losses	10,430,751	(10,430,751)	-
- creditors, accrued and other liabilities	13,313,110	(6,434,726)	6,878,384
- amortisation on intangible assets	43,146	31,016	74,162
- provision of trade debtors	6,408,232	(257,380)	6,150,852
- lease liabilities	341,917	4,323,066	4,664,983
	30,537,156	(12,768,775)	17,768,381
Taxable temporary differences in respect of:			
- accelerated tax depreciation	58,985,257	7,137,692	66,122,949
- right-of-use assets	292,788	2,732,746	3,025,534
	59,278,045	9,870,438	69,148,483
Deferred tax liability	<u>28,740,889</u>	<u>22,639,213</u>	<u>51,380,102</u>

	Note	2023 ————— (Rupees) —————	2022 ————— (Rupees) —————
<b>19. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>			
Creditors	19.1	87,629,922	332,037,800
Accrued expenses	19.2	65,052,837	34,422,755
<b>Other liabilities</b>			
Remuneration payable to Modaraba Management Company		33,162,827	32,322,033
Deposits from customer		10,456,508	12,008,004
Withholding income tax payable		3,556,046	3,851,013
Sales tax payable		25,251,635	21,368,819
Tax payable		5,557,925	9,621,794
Payable to Provident Fund	19.3	7,018,325	6,275,084
Provision for Sindh Workers' Welfare Fund	19.4	19,571,028	13,687,943
Provision for indirect taxes	19.5	14,341,791	10,030,623
		<u>118,916,085</u>	<u>109,165,313</u>
		<u>271,598,844</u>	<u>475,625,868</u>

**19.1** This amount includes Rs. 78.249 million (2022: Rs. 299.576 million) related to spare parts and loose tools, service and maintenance charges, overhauling /purchase of generators, accessories and equipment from Orient Energy Systems (Private) Limited, an associated company.

**19.2** This includes accrual of financial charges of Rs. 17.348 million (2022: 4.254 million) in respect of diminishing musharaka facilities availed by the Modaraba.

**19.3** 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 the employees.

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

**19.4** 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 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. 19.571 million (2022: Rs. 13.688 million) in these financial statement.

- 19.5** The Sindh Revenue Board (SRB) has imposed Sindh Sales Tax on the Modaraba Management Company's remuneration with effective from November 1, 2011. In view of the fact that the remuneration is profit sharing rather than a fixed fee against rendering of management services by the Modaraba Management Company. The NBFI and Modaraba Association of Pakistan, on behalf of a number of Modarabas filed a constitutional petition in the Honorable High Court of Sindh against which the Honorable High Court of Sindh granted an interim stay order. Subsequently, the Honorable High Court of Sindh, in its judgment dated April 27, 2015, directed the NBFI and Modaraba Association of Pakistan to seek remedy in accordance with the law.

Based on the above the Modaraba has not made any payments to SRB in respect of SST on management fee, however, the same is being charged and recognized in these financial statements.

**20. TAXATION- NET**

	<b>2023</b>	<b>2022</b>
	————— (Rupees) —————	
Provision for taxation	94,000,515	78,568,174
Less: Advance tax	<u>97,611,960</u>	<u>72,748,073</u>
	<u>(3,611,445)</u>	<u>5,820,101</u>

**21. CONTINGENCIES AND COMMITMENTS**

**21.1 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. The Modaraba has lodged appeal number 306/2019 with Commissioner Appeal dated January 01, 2020 and simultaneously the Modaraba has lodged constitutional petition number D-352 of 2020 with High Court of Sindh for pursuing case legally and High Court of Sindh has provided stay against SRB for taking any coercive action against Modaraba via its order number 15212223 / 2020 dated January 01, 2020. The legal advisor of the Modaraba believes that the outcomes of the appeal will be in favor of the Modaraba and hence no provision has been made in these Financial statement.

- 21.1.2** Two ex-employees of the Modaraba has filed suits. Amount of claims involved in these cases is Rs. 4.327 million.

The Modaraba is of the view that the outcome of the cases would be in favor of the Modaraba therefore no provision has been made in these financial statements.

## 21.2 Commitments

There was no commitment at the reporting date

	Note	2023 ————— (Rupees) —————	2022 ————— (Rupees) —————
<b>22. UJAH RENTALS - NET</b>			
Ijarah rentals		1,221,006,598	1,226,852,108
Sales tax		(141,730,179)	(139,120,346)
		<u>1,079,276,419</u>	<u>1,087,731,762</u>
<b>23. OPERATION AND MAINTENANCE INCOME - NET</b>			
Operation and maintenance income		769,032,681	674,923,576
Sales tax		(86,506,860)	(73,861,686)
		<u>682,525,821</u>	<u>601,061,890</u>
<b>24. OPERATING EXPENSES</b>			
Salaries and benefits	24.1	756,440,999	693,966,405
Repair, maintenance and related cost	24.2	156,400,766	218,279,398
Provision for stores, spares and loose tools		16,814,398	-
Depreciation on tangible assets	5.1.4	167,918,686	207,680,697
Depreciation on right-of-use assets	6	17,087,514	13,766,579
Takaful		74,005,376	55,282,695
Fuel, freight and transportation		45,867,981	29,191,127
Staff accommodation and meals		16,506,051	14,375,842
Yard rent and related expenses		9,208,041	9,094,459
Utilities and communication		10,959,920	6,400,867
Others		1,966,214	1,425,408
		<u>1,273,175,946</u>	<u>1,249,463,477</u>

**24.1** This includes contribution of Rs. 32.178 million (2022: Rs. 28.420 million) to the staff provident fund.

**24.2** This amount includes consumable parts and loose tools purchased and service and maintenance charges amounting to Rs. 111.708 million (2022: Rs. 118.128 million) and Rs. 8.591 million (2022: Rs. 8.713 million) respectively, acquired from Orient Energy Systems (Private) Limited, an associated company. It also includes consumable parts and loose tools purchased amounting to Rs. Nil (2022: Rs. 60.168) from Orient Energy System FZCO, an associated company.

	Note	2023 ————— (Rupees) —————	2022 ————— (Rupees) —————
<b>25. ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits	25.1	29,937,643	31,385,810
Utilities, postage and communication		1,998,393	2,642,633
Printing and stationery		3,004,622	2,230,084
Depreciation on tangible assets	5.1.4	1,823,934	2,095,287
Fee and subscription		2,861,201	2,285,113
Legal and professional charges		3,009,419	2,929,607
Shariah advisor fee		693,774	720,000
Fuel, freight and transportation		2,377,504	1,804,553
Auditors' remuneration	25.2	775,500	733,580
Education and training		10,000	65,000
Cleaning and maintenance		1,013,433	580,800
IT related services		4,032,874	3,296,977
Amortisation on intangible assets		56,501	419,184
Other expenses		350,000	735,600
		<u>51,944,798</u>	<u>51,924,228</u>
<b>25.1</b>	This includes contribution of Rs. 1.633 million (2022: Rs. 1.443 million) to the staff provident fund.		
<b>25.2 Auditors' Remuneration</b>			
Annual fee		350,000	320,000
Half yearly review fee		175,000	160,000
Certification fee		180,000	135,000
Out of pocket expenses		70,500	118,580
		<u>775,500</u>	<u>733,580</u>
<b>26. OTHER EXPENSES</b>			
Marketing expenses		55,000	442,618
Exchange loss		14,890,050	79,737
		<u>14,945,050</u>	<u>522,355</u>
<b>27. OTHER INCOME</b>			
Gain on disposal of tangible assets - net		147,700	7,302,568
Income on deposits with banks		9,946,670	6,991,337
Income on term deposit receipts		14,939,927	-
		<u>25,034,297</u>	<u>14,293,905</u>

	2023	2022
	(Rupees)	
<b>28. FINANCE COST</b>		
Mark-up on:		
- diminishing musharaka financing	88,299,152	63,299,372
- lease liabilities	3,701,310	2,030,877
Bank charges	215,614	69,092
	<u>92,216,076</u>	<u>65,399,341</u>
<b>29. MODARABA MANAGEMENT COMPANY'S FEE</b>		
In accordance with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1981, the Modaraba has accrued management fee at the rate of 10% of profit before tax during the year which is payable to the Modaraba Management Company amounting to Rs.33.163 million (2022 Rs. 32.322 million). Furthermore, during the year, an amount of Rs. 4.311 million (2022 Rs. 4.201 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.		
<b>30. TAXATION</b>		
<b>For the year</b>		
Current	94,000,515	88,189,968
Deferred	6,769,122	22,639,214
	<u>100,769,637</u>	<u>110,829,182</u>
<b>30.1 Reconciliation between tax expense and accounting profit</b>		
Accounting Profit before tax (Rupees)	<u>288,271,185</u>	<u>280,962,507</u>
Tax rate (%)	<u>29%</u>	<u>29%</u>
Tax on accounting profit	83,598,644	81,479,127
Effect of:		
Super tax	8,648,136	8,267,810
Deferred tax effect	6,769,122	22,639,214
Deductible expenses	75,196,450	74,136,561
Non-deductible expenses	(73,442,715)	(75,693,530)
Tax charge as per accounts	<u>100,769,637</u>	<u>110,829,182</u>
Effective tax rate	<u>32%</u>	<u>32%</u>

	2023	2022
	(Rupees)	
<b>31. EARNINGS PER CERTIFICATE - BASIC AND DILUTED</b>		
<b>31.1 Basic earnings per certificate</b>		
Profit for the year (Rupees)	187,501,548	170,133,325
Weighted average number of certificates outstanding during the year (number)	75,000,000	75,000,000
Earnings per certificate - Basic and diluted (Rupees)	2.50	2.27
<b>31.2</b> There were no convertible dilutive potential ordinary certificates outstanding as on June 30, 2023 which have dilutive effect on earnings per certificate.		
<b>32. REMUNERATION TO THE EXECUTIVES</b>		
The aggregate amounts charged in these financial statements for remuneration, including all benefits to executives are given below:		
Particulars		
Remuneration	49,193,111	35,927,698
Bonus	7,480,693	3,462,174
House rent	22,136,900	16,167,456
Vehicle	10,339,287	7,000,875
Provident fund	4,826,149	3,543,780
Medical	8,009,627	5,961,474
Others	515,050	801,296
Total	102,500,817	72,864,753
Number of persons	21	14
<b>33. FINANCIAL INSTRUMENTS BY CATEGORY</b>		
<b>Financial assets at amortised cost</b>		
Trade debtors	237,873,784	257,945,918
Unbilled revenue - contract assets	44,712,830	25,667,281
Loans and other receivables	17,474,429	10,089,263
Long term deposits	5,028,000	4,698,000
Cash and bank balances	246,423,197	74,536,906
	551,512,240	372,937,368

	2023	2022
	(Rupees)	
<b>Financial liabilities at amortised cost</b>		
Diminishing musharaka financing	508,856,469	431,047,425
Creditors, accrued and other liabilities	196,302,094	410,790,592
Unclaimed dividend	160,454	161,844
Lease liabilities	87,453,570	16,086,149
	<u>792,772,587</u>	<u>858,086,010</u>

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Modaraba's objective in managing risks is the creation and protection of Certificate holders' value. Risk is inherent in the Modaraba's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Modaraba's continuing profitability. The Modaraba is exposed to market risk (which includes profit rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

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

#### 34.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

##### 34.1.1 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 Pakistan Rupees.

##### 34.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market profit rates. The Modaraba has adopted appropriate policies to minimize its exposure to this risk. The profit rate profile of the Modaraba's significant profit bearing financial instruments and the periods in which these will mature are as follows:



	2023						Not exposed to yield / profit rate risk
	Carrying values	Exposed to yield / profit rate risk					
		Less than 1 month	1 - 3 months	3 months - 1 year	1 year - 5 years	More than 5 years	
(Rupees)							
On balance sheet financial instruments							
<b>Financial assets</b>							
Cash and bank balances	246,423,197	245,766,565	-	-	-	-	656,632
Long term deposits	5,028,000	-	-	-	-	-	5,028,000
Loans, advances and other receivable	17,474,429	-	-	-	-	-	17,474,429
Trade debtors	237,873,784	-	-	-	-	-	237,873,784
Unbilled revenue - contract assets	44,712,830	-	-	-	-	-	44,712,830
<b>Total financial assets</b>	<b>551,512,240</b>	<b>245,766,565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>305,745,675</b>
<b>Financial liabilities</b>							
Diminishing Musharaka financing	508,856,469	34,524,500	78,556,582	63,853,389	331,921,998	-	-
Lease liabilities	87,453,570	1,669,333	1,704,103	7,155,830	76,924,304	-	-
Creditors, accrued and other liabilities	196,302,094	-	-	-	-	-	196,302,094
Unclaimed dividend	160,454	-	-	-	-	-	160,454
<b>Total financial liabilities</b>	<b>792,772,587</b>	<b>36,193,833</b>	<b>80,260,685</b>	<b>71,009,219</b>	<b>408,846,302</b>	<b>-</b>	<b>196,462,548</b>

	2022						Not exposed to yield / profit rate risk
	Carrying values	Exposed to yield / profit rate risk					
		Less than 1 month	1 - 3 months	3 months - 1 year	1 year - 5 years	More than 5 years	
(Rupees)							
On balance sheet financial instruments							
<b>Financial assets</b>							
Cash and bank balances	74,536,906	74,113,987	-	-	-	-	422,919
Long term deposits	4,698,000	-	-	-	-	-	4,698,000
Loans, advances and other receivable	10,089,263	-	-	-	-	-	10,089,263
Trade debtors	257,945,918	-	-	-	-	-	257,945,918
Unbilled revenue - contract assets	25,667,281	-	-	-	-	-	25,667,281
<b>Total financial assets</b>	<b>372,937,368</b>	<b>74,113,987</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>298,823,381</b>
<b>Financial liabilities</b>							
Diminishing Musharaka financing	431,047,425	32,153,445	60,116,863	173,340,065	165,437,052	-	-
Lease liabilities	16,086,149	1,120,693	3,606,246	10,055,841	1,303,369	-	-
Creditors, accrued and other liabilities	410,790,592	-	-	-	-	-	410,790,592
Unclaimed dividend	161,844	-	-	-	-	-	161,844
<b>Total financial liabilities</b>	<b>858,086,010</b>	<b>33,274,138</b>	<b>63,723,109</b>	<b>183,395,906</b>	<b>166,740,421</b>	<b>-</b>	<b>410,952,436</b>

### profit rate sensitivity analysis for variable rate

A change of 100 basis points in profit rates at the reporting date would have decreased / (increased) profit for the year by Rs. 671,139 (2022: Rs. 224,309). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Modarba.

### 34.2 Credit risk

Credit risk is the risk of financial loss to the Modaraba if the counterparty to a financial instrument fails to meet its contractual obligations. The risk is generally limited to principal amounts and accrued profit thereon, if any. The Modaraba's policy is to enter into financial contracts in accordance with the internal risk management policies and the requirements of the Modaraba Rules and Regulations. The carrying amount of respective financial assets represents the maximum credit exposure at the reporting date.

	2023	2022
	(Rupees)	
Trade debtors	237,873,784	257,945,918
Unbilled revenue - contract assets	44,712,830	25,667,281
Loans and other receivables	17,474,429	10,089,263
Long term deposits	5,028,000	4,698,000
Bank balances	245,766,565	74,113,987
	<u>550,855,608</u>	<u>372,514,449</u>

The credit quality of receivable can be assessed with reference to their historical performance with negligible defaults in recent history.

The trade debtors are due from local customers. Management assesses the credit quality taking into account their financial position, past experience and other factors. The ageing of trade debtors at the year-end was as follows:

Not past due	148,588,660	110,977,655
Past due 0 days - 90 days	87,317,662	117,405,087
Past due 90 days - 180 days	19,996,418	30,760,598
Past due within 180 to 360 days	5,636,885	16,677,194
Past due by 360 days	6,342,789	3,335,218
	<u>267,882,414</u>	<u>279,155,752</u>
Allowance for impairment on financial assets	(30,008,630)	(21,209,834)
	<u>237,873,784</u>	<u>257,945,918</u>

#### Credit risk related to cash deposits

The credit risk on liquid funds (bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks where the Modaraba maintains its bank balances are as follows:

Name of the bank	Rating Agency	Credit rating	
		Long-term	Short-term
Bank Islami Limited	PACRA	AA	A-1+
Habib Bank Limited	PACRA	AAA	A-1+
National Bank of Pakistan Limited	VIS	AAA	A-1+
MCB Islamic Bank Limited	PACRA	A	A-1
Askari Bank Limited	PACRA	AA+	A-1+
Bank of Khyber Limited	VIS	A+	A-1
Meezan Bank Limited	VIS	AAA	A-1+

### 34.3 Liquidity risk management

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

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

#### 34.3.1 Liquidity and profit risk table

The following tables detail the Modaraba's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Modaraba can be required to pay.

		Carrying Values	Contractual Cash Flows	Upto 1 year	1 to 5 years	More than 5 years
(Rupees)						
Diminishing Musharaka financing	1 year Kibor + 1.5%	508,856,469	751,858,668	286,039,915	465,818,753	-
Lease liabilities	9.75% - 19.18%	87,453,570	133,516,569	26,296,740	107,219,829	-
Creditors, accrued and other liabilities		196,302,094	196,302,094	196,302,094	-	-
Unclaimed dividend		160,454	160,454	160,454	-	-
<b>2023</b>		<b>792,772,587</b>	<b>1,081,837,785</b>	<b>508,799,203</b>	<b>573,038,582</b>	<b>-</b>
(Rupees)						
		Carrying Values	Contractual Cash Flows	Upto 1 year	1 to 5 years	More than 5 years
(Rupees)						
Diminishing Musharaka financing	1 year Kibor + 1.5%	431,047,425	508,904,107	317,544,502	191,359,605	-
Lease liabilities	9.75%	16,086,149	17,018,941	15,704,977	1,313,964	-
Creditors, accrued and other liabilities		410,790,592	410,790,592	410,790,592	-	-
Unclaimed dividend		161,844	161,844	161,844	-	-
<b>2022</b>		<b>858,086,010</b>	<b>936,875,484</b>	<b>744,201,915</b>	<b>192,673,569</b>	<b>-</b>

The effective rate of profit on non-derivative financial liabilities are disclosed in respective notes.

#### **34.3.2 Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result 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. The Modaraba, at present, is not exposed to price risk as during the year, it has not investment in equity instrument.

#### **34.4 Operational risk**

Operational risk is the potential for loss resulting from inadequate or failed internal processes and systems, human error, or from impact of external events (including legal risks). Operational risk is inherent in the Modaraba's activities and, as with the other risk types, is managed through an overall framework with checks and balances that includes recognized ownership of the risk by the businesses, independent risk management oversight and an independent review by the Internal Audit.

The Modaraba considers the overall operational risk by breaking it down into different sub-components / areas called as operational risk sub-types under which operational risks are identified. The overall operational risk management responsibilities lie with the Operational Risk department. For the identified operational risks, operational risk control owners are put in place and made responsible for performance of checks and testing of identified controls in their areas and reporting of the same to the operational risk department which reports any exception or deviation to the Operational Risk Committee where corrective and preventive actions are taken.

### **35. CAPITAL RISK MANAGEMENT**

The Modaraba's prime objective when managing capital is to safeguard the Modaraba's ability to continue as a going concern so that it can continue to provide optimum returns to its certificate holders' and benefits of other stake holders and to maintain a strong capital base to support the sustained development of its businesses. The Modaraba manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit paid to certificate holders or issue new certificates. The Modaraba is not subject to externally imposed capital requirements.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at June 30, 2023 and 2022 were as follows:

	Note	2023 ----- (Rupees) -----	2022 ----- (Rupees) -----
Total borrowings	16	508,856,469	431,047,425
cash and bank balances	13	(246,423,197)	(74,536,906)
Net debt		262,433,272	356,510,519
Total equity		1,253,253,658	1,065,752,110
Total capital		1,515,686,930	1,422,262,629
Gearing ratio		17%	25%

### 36. 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.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data ( that is, unadjusted) inputs.

As at year ended June 30, 2023, the Modaraba does not hold any financial asset or liability measured at fair value. Further, carrying value of all financial assets and liabilities reflected in financial statements approximate their fair value.

**37. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASHFLOWS ARISING FROM FINANCING ACTIVITIES**

The table below states changes in the Modaraba's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Modaraba's statement of cash flows as cash flows from financing activities.

	June 30, 2022	Financing cash inflows	Financing cash outflows	Non cash changes	June 30, 2023
(Rupees)					
Diminishing musharaka financing	431,047,425	340,000,000	(262,190,956)	-	508,856,469
Unclaimed dividend	161,844	-	(1,390)	-	160,454
Lease liabilities	16,086,149	-	(15,830,334)	87,197,755	87,453,570
	<u>447,295,418</u>	<u>340,000,000</u>	<u>(278,022,680)</u>	<u>87,197,755</u>	<u>596,470,493</u>
	June 30, 2021	Financing cash inflows	Financing cash outflows	Non cash changes	June 30, 2022
(Rupees)					
Diminishing musharaka financing	714,155,625	9,360,000	(292,468,200)	-	431,047,425
Unclaimed dividend	261,537	-	(75,099,693)	75,000,000	161,844
Lease liabilities	1,179,030	-	(12,926,253)	27,833,372	16,086,149
	<u>715,596,192</u>	<u>9,360,000</u>	<u>(380,494,146)</u>	<u>102,833,372</u>	<u>447,295,418</u>

**38. RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include a Subsidiary Company, Modaraba Management Company, Associated Companies with or without common directors, retirement benefit funds, directors, and key management personnel.

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

A number of transactions are entered into with related parties at agreed terms as approved by the Board of Directors of Modaraba Management Company in the normal course of business. These include purchase of assets and sharing of common expenses, if any.

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

Company	Basis of Association	Aggregate Percentage of shareholding
ASJN Holdings (Private) Limited	Associated Company	6.67%
Eman Management (Private) Limited	Associated Company	10%

		2023	2022
		————— (Rupees) —————	
<b>38.1</b>	<b>Transactions during the year</b>		
	<b>Name and Relationship with the Modaraba</b>	<b>Nature of transactions</b>	
	Orient Energy Systems (Private) Limited - Associated	Purchase / overhauling of:	
		- generators	20,000,000
		- accessories	-
		- plant and machinery	-
		- stores, spares and loose tools	111,708,069
		Service and maintenance charges	8,591,407
		Rental for generators	1,051,960
		Operation and maintenance services	26,390,000
	ASJN Holdings (Private) Limited	Dividend paid	-
	Employees' Provident Fund Trust Associated Company	Contribution for the year	33,812,714
	Orient Energy Systems FZCO	Purchase of stores, spares and loose tools	-
	Modaraba Management Company Eman Management (Private) Limited	Management fees	33,162,827
		Dividend paid	-
	Directors	Dividend paid	-
	Key management personnel	Remuneration	21,177,591
		Contribution to provident fund	1,076,388
			26,156,737
			2,988,232
			10,000,000
			118,128,847
			8,713,973
			7,863,357
			23,311,000
			5,000,000
			29,864,381
			60,168,006
			32,322,033
			7,500,000
			18,750,000
			29,985,057
			1,609,321
<b>38.2</b>	<b>Year end balances</b>		
	<b>Name and Relationship with the Modaraba</b>	<b>Nature of transactions</b>	
	Orient Energy Systems (Private) Limited - Associated	Payable against purchase of fixed assets, spare parts & loose tools and service and maintenance charges	
		Receivable against services rendered	6,422,000
	Modaraba Management Company Eman Management (Private) Limited	Management fee payable	33,162,827
		Receivable against PSO fleet charges	-
		Outstanding certificates	75,000,000
		7,500,000 (2022: 7,500,000)	75,000,000
	ASJN Holdings (Private) Limited	Outstanding certificates	50,000,000
		5,000,000 (2022: 5,000,000)	50,000,000
	Directors	Outstanding certificates	125,400,340
		12,540,034 (2022: 12,540,034)	125,400,340
			299,576,062
			28,804,212
			32,322,033
			870,947
			75,000,000
			50,000,000
			125,400,340

### 39. 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.

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

	Ijarah rentals	Operation and maintenance	Total
	(Rupees)		
<b>Segments revenues / profits</b>			
<b>For the year ended June 30, 2023</b>			
Revenue	1,079,276,419	682,525,821	1,761,802,240
Costs	(836,629,669)	(547,671,783)	(1,384,301,452)
Reporting segment profit	<u>242,646,750</u>	<u>134,854,038</u>	<u>377,500,788</u>
<b>Segments revenues / profits</b>			
<b>For the year ended June 30, 2022</b>			
Revenue	1,087,731,762	601,061,890	1,688,793,652
Costs	(848,143,677)	(472,950,770)	(1,321,094,447)
Reporting segment profit	<u>239,588,085</u>	<u>128,111,120</u>	<u>367,699,205</u>



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

	<b>2023</b>	<b>2022</b>
	----- (Rupees) -----	
Total results for reportable segments	377,500,788	367,699,205
Other non-operating income	24,934,297	7,221,820
Marketing and administrative expenses	(66,889,848)	(49,600,740)
Finance costs	(3,916,924)	(2,099,952)
Other non-operating expenses	(43,357,128)	(42,257,826)
	<u>288,271,185</u>	<u>280,962,507</u>

### Segment assets / liabilities

	<b>Ijarah rentals</b>	<b>Operation and maintenance</b>	<b>Total</b>
	----- (Rupees) -----		
<b>As at June 30, 2023</b>			
Segment assets	<u>1,537,185,434</u>	<u>127,211,509</u>	<u>1,664,396,943</u>
Segment liabilities	<u>716,693,829</u>	<u>12,555,819</u>	<u>729,249,648</u>
<b>As at June 30, 2022</b>			
Segment assets	<u>1,609,366,079</u>	<u>115,874,798</u>	<u>1,725,240,877</u>
Segment liabilities	<u>767,339,660</u>	<u>-</u>	<u>767,339,660</u>

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

	<b>2023</b>	<b>2022</b>
	----- (Rupees) -----	
Total for reportable segment assets	1,664,396,943	1,725,240,877
Unallocated assets	520,017,637	326,457,025
Total assets as per balance sheet	<u>2,184,414,580</u>	<u>2,051,697,902</u>
Total for reportable segment liabilities	729,249,648	767,339,660
Unallocated liabilities	201,911,274	218,606,132
Total liabilities as per balance sheet	<u>931,160,922</u>	<u>985,945,792</u>

	2023	2022
	(Rupees)	
<b>40. DISCLOSURE OF COMPANIES LISTED IN ISLAMIC INDEX</b>		
Loans / advances obtained as per Islamic mode:		
Loans	508,856,469	431,047,425
Advances	-	-
	<u>508,856,469</u>	<u>431,047,425</u>
Shariah compliant bank deposits / bank balances	<u>246,423,197</u>	<u>53,473,690</u>
Profit earned from shariah compliant bank deposits / bank balances	<u>24,886,597</u>	<u>6,991,337</u>
Revenue earned from a shariah compliant business	<u>1,761,802,240</u>	<u>1,688,793,652</u>
Gain / (loss) or dividend earned from shariah compliant investments	-	-
Dividend income	-	-
Gain on sale of investments	-	-
(Loss) / gain on remeasurement of investments at fair value through profit or loss	-	-
Exchange loss	<u>(14,890,050)</u>	<u>(79,737)</u>
Profits paid on Islamic mode of financing	<u>(75,421,116)</u>	<u>(66,480,848)</u>
Profits earned or Profits paid on any conventional loan or advance	-	-
Profits paid on loans	-	-

**41. EVENTS AFTER THE REPORTING DATE**

The Board of Directors of the Modaraba Management Company in their meeting held on September 07, 2023 have approved profit distribution at the rate of 10% i.e Re. 1 per certificate.

**42. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on September 7, 2023 by the Board of Directors of the Eman Management (Private) Limited.

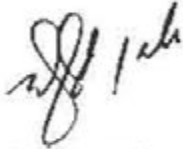
**43. CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.

**44. NUMBER OF EMPLOYEES**

The number of employees as at year end was 1,296 (2022: 1,347).

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



Chief Financial Officer



Chief Executive Officer



Director



Director

## PATTERN OF CERTIFICATE HOLDING AS AT JUNE 30, 2023

Categories of certificate holders	Certificateholders	Certificate Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
NASIM AHMED	1	6,250,000	8.33%
CHAUDHRY JAWAID IQBAL	1	6,250,000	8.33%
TEIZOON KISAT	1	40,034	0.05%
<b>Associated Companies, undertakings and related parties</b>			
ASJN HOLDINGS (PVT.) LIMITED	1	5,000,000	6.67%
EMAN MANAGEMENT (PVT.) LIMITED	1	7,500,000	10.00%
<b>Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds</b>			
	1	6,638,953	8.85%
<b>General Public</b>	660	41,652,934	55.54%
<b>Others</b>	1	1,668,079	2.22%
<b>Totals</b>	<b>667</b>	<b>75,000,000</b>	<b>100.00%</b>
<b>Certificate holders holding 5% or more</b>			
		<b>Certificate Held</b>	<b>Percentage</b>
EMAN MANAGEMENT (PVT.) LIMITED		7,500,000	10.00%
MEEZAN BANK LIMITED		6,638,953	8.85%
MOHAMMAD SAEED		6,250,000	8.33%
NASIM AHMED		6,250,000	8.33%
CHAUDHRY JAWAID IQBAL		6,250,000	8.33%
AZHAR IQBAL		6,250,000	8.33%
ASJN HOLDINGS (PVT.) LIMITED		5,000,000	6.67%

## PATTERN OF CERTIFICATE HOLDING AS AT JUNE 30, 2023

Number of Certificate holders	Certificate Holdings			Total Certificate Held
60	1	to	100	685
128	101	to	500	58,084
67	501	to	1000	66,036
227	1001	to	5000	576,047
67	5001	to	10000	449,473
37	10001	to	15000	441,493
9	15001	to	20000	156,624
11	20001	to	25000	227,157
2	25001	to	30000	56,214
4	30001	to	35000	132,606
4	35001	to	40000	144,424
3	40001	to	45000	120,102
7	45001	to	50000	330,362
1	50001	to	55000	53,379
3	60001	to	65000	175,887
3	65001	to	70000	200,169
1	70001	to	75000	73,500
1	105001	to	110000	105,500
1	125001	to	130000	126,446
1	130001	to	135000	130,500
1	145001	to	150000	150,000
1	265001	to	270000	266,893
3	345001	to	350000	1,048,000
1	400001	to	405000	400,339
5	1000001	to	1005000	5,004,235
1	1090001	to	1095000	1,090,432
2	1200001	to	1205000	2,402,034
1	1230001	to	1235000	1,231,017
1	1330001	to	1335000	1,334,463
1	1400001	to	1405000	1,401,186
1	1430001	to	1435000	1,434,325
1	1495001	to	1500000	1,499,186
1	1630001	to	1635000	1,633,856
1	1665001	to	1670000	1,668,079
2	3335001	to	3340000	6,672,314
1	4995001	to	5000000	5,000,000
4	6245001	to	6250000	25,000,000
1	6635001	to	6640000	6,638,953
1	7495001	to	7500000	7,500,000
<b>667</b>				<b>75,000,000</b>



## ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

مسالہ السنہ ستمبر ۲۰۲۳ء ایڈوانسز رپورٹ

برائے اہتمام ماہ ستمبر ۲۰۲۳ء

ہم نے شریعہ کیمپائمنس اور شریعہ آڈٹ میکنگزم برائے مشارکہ کے تھانوں کے مطابق ۳۰ جون ۲۰۲۳ء کو ختم ہونے والے مالی سال کے لیے ”اورینٹ ریٹیل مشارکہ“ (ORM) کا شرعی جائزہ لیا ہے۔

اہم شرعی سرگرمیوں اور پیشرفت کا خلاصہ:

سال ۲۰۲۳-۲۰۲۴ کے ہائرس کی مدت کے دوران ORM نے دین ذیل اہم سرگرمیوں میں حصہ لیا جو کہ شرعی اصولوں کے مطابق ہیں:

۱۔ آپریٹنگ لیز اور ٹیکنیکل ایمپٹرنگ سروسز: ORM نے معتبر کلائنٹس کے ساتھ متعدد آپریٹنگ لیز اور ٹیکنیکل ایمپٹرنگ سروسز کے معاہدے کیے ہیں۔ ان معاہدوں پر عملدرآمدی تمام مقررہ شرائط کی پابندی کرتے ہوئے شرعی اصولوں اور منقولہ شدہ سٹینڈرڈس کے ساتھ کی گئی ہے۔

۲۔ شریعت کے مطابق کاروباری معاملات (Transactions):

شرعی ہائرس اور فراہم کردہ مصنوعات کی روشنی میں مضاربہ کی طرف سے کیے جانے والے تمام کاروباری لین دین اور اس سے متعلقہ معاملات شرعی تقاضوں کے مطابق ہیں۔

سویٹنگ سے متعلق:

مشارکہ نے ان مالی سال میں کسی بھی کوٹیشن بینک کے سویٹنگ کا استعمال نہیں کیا، اپنی تجارتی ضرورتوں کو پورا کرنے کے لیے فیل فوج یا دیگر اسلامی بینکوں کے سویٹنگ کا استعمال یا کوٹیشن ڈیکوں کے کرنٹ اکاؤنٹس استعمال کیے گئے۔

۳۔ عکافل کے ذریعے ریسک کوریج:

مشارکہ نے عملیات کو کوریج کے لیے عکافل کیمپیز سے کوریج حاصل کی، اس موقع پر کسی بھی کوٹیشن انشورنس کمپنی سے کسی قسم کا کوٹیشن لینا نہیں کیا۔

اہتمام:

اس مالی سال کے دوران ORM کی طرف سے انجام دی گئی سرگرمیوں، لین دین اور معاملات شرعی اصولوں کے مطابق ہیں اور یہ کیمپائمنس ”مرجسٹریٹ مشارکہ“ سیکورٹیز اینڈ ایکسیچینج کمیشن آف پاکستان کی طرف سے جاری کردہ ہدایات کے مطابق ہے۔



ملحقہ صفحہ ابراہیم ریسڈنسی  
ڈائریکٹر



ملحقہ صفحہ ابراہیم ریسڈنسی

سی ای او، ڈائریکٹر  
۲۰۲۳

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## شریعتہ آڈٹ رپورٹ

مضاربہ اپنے شریعتہ ایڈوائزر، الحمد شریعتہ ایڈوائزر، سرورسز پرائیویٹ لمیٹڈ سے حسب ضرورت رہنمائی حاصل کرتا رہتا ہے۔ اس کے علاوہ اندرونی آڈٹ ڈپارٹمنٹ بھی مضاربہ کے روزمرہ کے معاملات کے شریعتہ پالیسیز اور اصولوں سے مطابقت کو یقینی بنانے کے لئے تربیت یافتہ ہے۔ مضاربہ کے معاملات سے متعلق شریعتہ آڈٹ رپورٹ برائے مدت مختتمہ 30 جون 2023 سالانہ مالیاتی گوشواروں کے ساتھ منسلک ہے۔

## آڈیٹرز

آڈٹ کمیٹی کی سفارشات پر بورڈ نے میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو سال مختتمہ 30 جون 2024 کیلئے باہمی متفقہ مشاہرے پر بطور آڈیٹر تقرر کیلئے منظوری دے دی ہے جو رجسٹر آف مضاربہ کمپنیز اینڈ مضاربہ کی منظوری سے مشروط ہے۔

## اعتراف

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

بورڈ سرٹیفکیٹ ہولڈرز کے اورینٹ گروپ کے ساتھ منسلک رہنے اور مضاربہ کے ملازمین کی خدمات اور کسٹرز کی ضروریات پوری کرنے کیلئے معیاری خدمات کی فراہمی کا بھی بے حد مشکور ہے جن کی بناء پر مضاربہ کا کاروباری تسلسل قائم ہے۔

چیئرمین

چیف ایگزیکٹو آفیسر

7 ستمبر 2023

## سرٹیفکیٹ ہولڈرز کا طرز

مضاربہ کے سرٹیفکیٹ ہولڈنگ کے طرز اور 30 جون 2023 تک کی مزید معلومات اس رپورٹ میں پراکسی فارم کے ساتھ منسلک ہے۔

## ڈائریکٹرز ٹریننگ پروگرام

لسڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شرائط کے مطابق پانچ میں سے چار ڈائریکٹرز ڈائریکٹرز ٹریننگ پروگرام کے تحت سرٹیفکیشن کے حامل ہیں۔

## متعلقہ پارٹنرز کے ساتھ لین دین

ضوابط کی شرائط کے مطابق کمپنی نے تمام متعلقہ پارٹی کے ساتھ لین دین کی تفصیل آڈٹ کمیٹی کے پاس جائزے کیلئے اور بورڈ کے پاس منظوری کیلئے پیش کر دی گئی ہے۔

## اندرونی مالیاتی کنٹرولز

ڈائریکٹرز اندرونی مالیاتی کنٹرولز کے بارے میں اپنی ذمہ داری سے بخوبی آگاہ ہیں۔ انتظامیہ اور آڈیٹرز (اندرونی اور بیرونی دونوں) کے ساتھ گفت و شنید ہوئی جس میں انہوں نے تصدیق کی کہ کمپنی کی جانب سے موزوں کنٹرولز نافذ کئے گئے ہیں۔

## بعد کے واقعات

مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیانی عرصے میں کوئی مادی تہدیلی یا وعدے نہیں ہوئے جس کا مالیاتی صورتحال پر کوئی اثر پڑتا ہو۔

## نان ایگزیکٹو ڈائریکٹرز کے مشاہرے کی پالیسی

نان ایگزیکٹو اور خود مختار ڈائریکٹرز کو کمپنی کے بورڈ آف ڈائریکٹرز کی میٹنگ میں شرکت کی فیس کا تعین بورڈ وقتاً فوقتاً کرتا ہے۔



## اجتماعی اور مالیاتی رپورٹنگ فریم ورک

- مضاربہ کے تیار کردہ مالیاتی گوشواروں میں معاملات کی صورت حال، اس کے آپریشنز کے نتائج، نقد قومات کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔
- مضاربہ کے کھاتوں کو درست طور پر مرتب کیا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں ہر جگہ حسابات کی پالیسی کو درست طور پر استعمال کیا گیا ہے اور حسابات کا تخمینہ معقولیت اور دانشمندانہ کے فیصلوں پر مبنی ہیں۔
- مالیاتی اسٹیٹمنٹ کی تیاری میں پاکستان میں مضاربہ پر لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے۔
- داخلی کنٹرول کا نظام بھی موجود ہے اور اندرونی آڈٹ اس کا مسلسل جائزہ لیتا رہتا ہے۔ جائزہ کا عمل جاری رہے گا اور کنٹرول میں کہیں بھی کوئی کمزوری نظر آئی تو اس کو دور کر دیا جائے گا۔
- مضاربہ کے موجودہ صلاحیت کے ساتھ کام جاری رکھنے میں کسی شہ کی کوئی وجہ نہیں ہے۔
- زیر جائزہ مدت میں بنیادی آپریٹنگ اور مالیاتی معلومات مختصر طور پر اس سالانہ جائزے میں شامل کی گئی ہیں۔
- آپ کی کمپنی کے ڈیویڈنڈ، ڈیویڈنڈ محصولات اور چارجز کی مد میں کوئی قانونی واجبات نہیں ہیں سوائے ان کے جو مالیاتی گوشواروں میں ظاہر کی گئی ہیں۔
- مضاربہ میں اپنے مستقل ملازمین کیلئے پراویڈنٹ فنڈ قائم ہے۔ فنڈ کے غیر آڈٹ شدہ مالیاتی گوشواروں پر مبنی سرمایہ کاری کی رقم برطانیہ 30 جون 2023: 150,764,967 روپے تھی۔ (30 جون 2022: 88,902,652 روپے)

## کریڈٹ ریٹنگ

مضاربہ نے اپنی طویل المدت ریٹنگ A- اور قلیل المدت ریٹنگ A2 برقرار رکھی۔ یہ ریٹنگ دی پاکستان کریڈٹ ریٹنگ ایجنسی نے تفویض کی ہے۔

## بورڈ کے اجلاس کا مقام

موجودہ مدت کے دوران میں بورڈ کے تمام اجلاس کراچی میں مضاربہ کے رجسٹرڈ دفتر میں منعقد ہوئے اور بیرون ملک اجلاس کے فالتوا اخراجات سے گریز کیلئے کوئی اجلاس پاکستان سے باہر نہیں منعقد کیا گیا۔

## انسانی وسائل اور مشاہرہ کمیٹی

بورڈ آف ڈائریکٹرز نے ضوابط کے مطابق انسانی وسائل اور مشاہرہ کمیٹی (HRRC) تشکیل دی ہے۔ HRRC بنیادی طور پر اہم انتظامی اسٹاف کی جانچ اور تلافی کے طریقہ کار پر عمل درآمد کرانے کی ذمہ دار ہے۔ سال میں صرف ایک میٹنگ ہوئی۔ حاضری کی صورت حال درج ذیل ہے:

نام	میٹنگ میں حاضری
جناب جوزیر جیوا خان	1
جناب نسیم احمد	1
جناب تیزون کیساٹ	1

## رسک منیجمنٹ کمیٹی

بورڈ آف ڈائریکٹرز نے ضوابط کی پیروی میں رسک منیجمنٹ کمیٹی تشکیل دی ہے۔ رسک کمیٹی بنیادی طور پر خدشات سے متعلق معاملات طے کرنے اور موزوں رسک منیجمنٹ اور اندرونی کنٹرول کے نظام کو تیار کرنے اور نافذ کرنے کی ذمہ دار ہے۔ جس کے ذریعے مضاربہ کو درپیش خدشات کی شناخت کی جائے اور بورڈ کو بڑے خدشات کا بھرپور اندازہ لگانے میں مدد دے۔ اس سال کے دوران کوئی میٹنگ نہیں ہوئی۔

## بورڈ میں تبدیلیاں

3 جون 2023 کو جناب غیاث الدین خان کا انتقال ہو گیا۔ جناب غیاث الدین خان کے انتقال سے خالی ہونے والی اسامی پر کرنے کیلئے 17 جولائی 2023 کو جناب اظہر اقبال کا ڈائریکٹر کے طور پر تقرر کیا گیا۔ بورڈ آف ڈائریکٹرز نے جناب غیاث الدین خان کی خدمات کو سراہا اور ان کو خراج تحسین پیش کیا۔ بورڈ نے جناب اظہر اقبال کو بطور ڈائریکٹر خوش آمدید کہا۔

## کارپوریٹ گورننس پر عمل درآمد

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

سال کے دوران میں بورڈ آف ڈائریکٹرز کی کل چار میٹنگز ہوئیں۔ متعلقہ مدت میں حاضری کی صورتحال درج ذیل ہے:

میٹنگ میں حاضری	نام
4	جناب چودھری جاوید اقبال
4	جناب نسیم احمد
4	جناب غیاث الدین خان*
-	جناب اطہر اقبال**
4	جناب جوزیر چیوا خان
4	مس صبا احمد آگر والا
4	جناب تیزون کیساٹ

\*3 جون 2023 کو وفات پا گئے۔

\*\*جناب غیاث الدین خان کی وفات سے خالی ہونے والی اسامی پر 17 جولائی 2023 کو ڈائریکٹر مقرر کئے گئے۔

## بورڈ آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی بیرونی میں ایک آڈٹ کمیٹی قائم کی ہے جو اندرونی آڈٹ کنٹرولز اور عمل درآمد کی نگرانی کرتی ہے اور اپنے قیام سے اب تک مستعدی کے ساتھ کام کر رہی ہے۔ آڈٹ کمیٹی نے سہ ماہی، ہفتہ ماہی اور سالانہ مالیاتی گوشواروں کو بورڈ کے پاس جمع کرانے اور اشاعت کیلئے بھیجے سے پہلے ان کا تصفیعی جائزہ لیا۔ آڈٹ کمیٹی نے بیرونی آڈیٹرز کے ساتھ مختلف مسائل پر گفت و شنید کی جس میں انتظامیہ کیلئے ایک خط بھی شامل تھا۔ آڈٹ کمیٹی نے اندرونی آڈیٹرز کی حاصل کردہ معلومات کا جائزہ لیا اور کوڈ آف کارپوریٹ گورننس کے تحت مطلوب اندرونی اور بیرونی آڈیٹرز کی علیحدہ علیحدہ میٹنگز ہوئیں۔

بورڈ آڈٹ کمیٹی کی کل چار میٹنگز ہوئیں۔ متعلقہ مدت میں حاضری کی صورتحال درج ذیل ہے:

میٹنگز میں حاضری	نام
4	جناب جوزیر چیوا خان
4	جناب نسیم احمد
4	مس صبا احمد آگر والا
4	جناب چودھری جاوید احمد

## مستقبل کا منظر نامہ

آنے والے سال میں پاکستان کیلئے کچھ بہتری کے آثار نظر آرہے ہیں جو اس کے مالیاتی خسارے سے بحالی اور IMF-EFF کی سفارشات اور استحکام کے اقدامات پر عمل کی بناء پر متوقع ہیں۔ SBA کے تحت کھلی قسط کے ملنے اور دوطرفہ تعاون میں 3 بلین یو ایس ڈالر حاصل ہونے سے، SBP کے زرمبادلہ کے ذخائر، جو جون 2023 کے آخر میں 4.5 بلین ڈالر تھے اگست 2023 میں بڑھ کر 8 بلین ڈالر ہو گئے۔ تاہم پاکستان کیلئے IMF کے نئے آڈٹ پروگرام کے تحت فیکسز اور شرح سود میں اضافہ کیا جائے گا۔ درآمدات پر پابندیوں کے خاتمے سے مینوفیکچرنگ، کنسٹرکشن اور متعلقہ خدمات کیلئے منظر نامہ میں بہتری آئی ہے۔ اگرچہ سرمایہ کاری میں اضافہ ہو سکتا ہے، پاکستان میں افراد اور کاروبار عالمی سپلائی چین کی رکاوٹوں اور روپے کی قدر میں کمی سے متاثر ہوں گے، جن کے باعث جاری کاروبار کی لاگت میں اضافہ ہوگا۔

## بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز\* 6 ڈائریکٹرز پر مشتمل ہے۔

4	مرد ڈائریکٹر
1	خاتون ڈائریکٹر
*30 جون 2023 کو ایک ڈائریکٹر کے انتقال کر جانے سے بورڈ میں ایک اسامی خالی ہو گئی۔	

بورڈ ممبرز کی تشکیل اس طرح سے ہے:

2	خود مختار ڈائریکٹر
3	نان ایگزیکٹو ڈائریکٹر
1	ایگزیکٹو ڈائریکٹر

## کاروباری خدشات

جزل ریٹیل کاروبار پر نمایاں انحصار کے سبب، مضاربہ کو صنعت میں گیس کی فراہمی میں رکاوٹ کے خدشات کا سامنا ہے۔ جب کہ شرح مبادلہ میں اضافے سے نئے جزیٹرز کی قیمتوں میں بھی نمایاں اضافہ ہوا ہے۔ کرنسی مارکیٹ انتہائی غیر مستحکم رہی، جس کے نتیجے میں کئی بڑی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں کمی آئی۔ جزیٹریٹ کی موجودہ مارکیٹ ریٹس پر نئے جزیٹرز میں سرمایہ کاری پر مناسب آمدنی حاصل نہیں ہوتی۔ اس لئے مضاربہ کی انتظامیہ اپنی سرمایہ کاری کی حکمت عملی میں ہوشیاری اور احتیاط سے کام لے رہی ہے اور بھاری سرمایہ کے کاروباری شعبہ کی بجائے مارجن پر مبنی کاروبار پر توجہ دے رہی ہے۔

## کریڈٹ کے خدشات

مضاربہ کو اجارہ کے کاروبار میں دائمی نقصان کے خدشات ہیں۔ مضاربہ کو کرائے داروں کے ریٹیل کی ادائیگی میں تاخیر ہونے کے علاوہ دیگر خدشات، جیسے ملکیتی اثاثہ جات پر قبضہ ہونے، کرائے دار کی جانب سے ناجائز استعمال یا بدسلوکی، حادثات، چوری اور بریک ڈاؤن وغیرہ کے خدشات ہیں۔ یہ اثاثہ جات ملک بھر میں مختلف صنعتی شعبہ جات میں تعین کئے گئے ہیں تاکہ توجہ مرکوز کرنے اور تاخیر ہونے کے خدشات کو کم سے کم کیا جاسکے۔

## معاشی خدشات

پاکستان کو اپنی سیاسی اور میکرو اکنامک استحکام، اور خاص طور پر مالیاتی اور بیرونی اکاؤنٹ کے خسارے سے متعلق بڑے چیلنجز کا سامنا ہے۔ معاشی حالات میں تبدیلی سے مضاربہ کی کارکردگی متاثر ہو سکتی ہے۔ مختلف عوامل، جیسے مارکیٹ کی نمو، شرح سود اور زر مبادلہ کی شرح سے مضاربہ کی آمدنی اور اثاثہ جات پر اثر پڑ سکتا ہے۔

## لیکویڈٹی کا خدشہ

مضاربہ کی فنڈنگ کا سب سے بڑا ذریعہ کم ہوتا ہوا مشارکہ ہے۔ اس میں سود کا خدشہ محدود ہے، اس لئے کہ مشارکہ کی فنڈنگ مضاربہ کی فنڈنگ کا سب سے بڑا ذریعہ ہے۔ مضاربہ کی مالیاتی قوت مناسب ہے جس کو اپنی فنڈنگ اور آگے بڑھنے کیلئے ایسوسی ایٹ کمپنی کی مدد حاصل ہے۔ مضاربہ اپنے کاروبار کو ایک قابل انتظام سطح تک لیجانے کا ارادہ رکھتا ہے۔

مضاربہ مذکورہ خدشات کے ممکنہ اثرات کو ختم کرنے / قابل قبول حد تک کم کرنے میں اپنے اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ مل کر کام کرتا ہے۔

## کاروباری عمل کا جائزہ

مضاربہ نے قبل از ٹیکس منافع 288.27 ملین روپے اور بعد از ٹیکس منافع 187.50 ملین روپے حاصل کیا جبکہ اس کے مقابلے میں جون 2022 میں بالترتیب 280.96 ملین روپے اور 170.13 ملین روپے حاصل ہوا تھا۔ بعد از ٹیکس منافع جون 2022 کے مقابلے میں 10 فیصد زیادہ ہوا۔

مجموعی آمدنی 1,761.80 ملین روپے حاصل ہوئی جو گزشتہ سے 4 فیصد زیادہ ہے (جون 2022: 1,688.79 ملین روپے)۔ گیس جزیئر کے ریٹیل کاروبار میں کمی آئی جس کی وجہ سال کے اکثر حصوں میں گیس کی فراہمی میں رکاوٹیں پیدا ہوتی تھیں۔ اس کی تلافی ڈیزل جزیئر اور آپریشن اور مینٹیننس کے شعبہ سے حاصل ہونے والی آمدنی سے ہو گئی۔ کاروباری عمل کے اخراجات 1,273.17 ملین روپے ریکارڈ ہوئے جو افراط زر کے باوجود کنٹرول میں رہے اور یہ گزشتہ سال کے 1,249.46 ملین روپے کے مقابلے میں صرف 2 فیصد زیادہ تھے۔ یہ معمولی اضافہ تنخواہوں میں سالانہ اضافے کے باعث ہوا جس کی تلافی جزیئر کے کم تصمین کے سبب ان کی ٹوٹ پھوٹ میں کمی تھی اور دیکھ بھال کے اخراجات بھی کم ہوئے۔ پالیسی رٹس میں اضافے کی وجہ سے نئے قرضہ جات کے حصول اور زیادہ شرح سود کے باعث فنڈنگ کی لاگت 41 فیصد اضافے کے ساتھ گزشتہ سال کے 65.40 ملین روپے سے بڑھ کر موجودہ سال میں 92.22 ملین روپے ہوئی۔ دیگر اخراجات 64.78 ملین روپے ہوئے جو گزشتہ سے 28 فیصد زیادہ ہے اس میں موجودہ سال میں ہونے والے 14.89 ملین روپے کے نقصانات بھی ہیں جو کمرشل بینک کی جانب سے درآمدات سے متعلق ادائیگیوں کے موخر کرنے سے ہوئے تھے۔ 187.50 ملین روپے کے بعد از ٹیکس منافع کے نتیجے میں فی سر ٹیکس آمدنی گزشتہ سال کے 2.27 روپے سے بڑھ کر موجودہ سال میں 2.50 روپے ہوئی۔

## منافع کی تقسیم

بورڈ ہڈوشی 10% نقد منافع منقسمہ کا اعلان کرتا ہے جو ہر 10 روپے کے فی سر ٹیکس کیلئے 11 روپیہ ہے، جو ذرائع پر زکوٰۃ اور ٹیکس کی کٹوتی سے مشروط ہے۔

## اہم خدشات اور بے یقینی کی صورت حال

مضاربہ کو بعض دائمی خدشات اور بے یقینی کی صورت حال کا سامنا رہتا ہے۔ تاہم، درج ذیل خدشات بنیادی حیثیت رکھتے ہیں۔

153,493,340

2.27

14.21

303,494,578

2.50

16.71

غیر تخصیص شدہ منافع، آگے لیجا یا گیا  
فی سرٹیفکیٹ آمدنی - بنیادی اور تحلیل شدہ  
فی سرٹیفکیٹ بریک اپ ویلیو

## معاشی جائزہ

ملک میں معاشی سرگرمیوں کی رفتار انتہائی سست رہی جس کی بڑی وجہ ملکی اور بیرونی خراب حالات تھے جن میں 2022 کے تباہ کن سیلاب، غیر معمولی افراط زر، درآمدی ادائیگیوں کے سنگین حالات، پاکستانی روپے کی قدر میں نمایاں کمی اور پالیسی ریش میں خاطر خواہ اضافہ شامل ہیں۔ اس کے نتیجے میں جی ڈی پی کی شرح نمو 0.29 فیصد ریکارڈ ہوئی۔ تاہم اس میں معمولی سا اضافہ ہوا جس کی بنیادی وجہ زرعی شعبہ میں 1.55 فیصد اور خدمات کے شعبہ میں 0.89 فیصد نمو تھی جبکہ صنعتی پیداوار میں مجموعی طور پر 2.94 فیصد کمی آئی۔ اس طرح مالی سال 2023 پاکستان کی معیشت کیلئے ایک چیلنج سے بھرپور سال رہا۔

پارلیمنٹ کی پانچ سال کی مدت اگست 2023 میں اختتام پذیر ہوئی۔ گزشتہ پانچ سال دو حکمران اتحاد رہے اور سیاسی بے یقینی کے ساتھ خراب معاشی حالات کا سامنا رہا۔ پاکستانی روپیہ مستقل کمی کا شکار رہا اور 30 جون 2023 کو یو ایس ڈالر کے مقابلے میں 287 روپے تک پہنچ گیا اور CPI قومی افراط زر 29.4 فیصد (جولائی - جون 2023) پر لاکھڑا کرنے لگا۔ SBP نے مالی سال 2022 کے دوران میں پالیسی ریش 7 فیصد سے بڑھا کر 13.75 فیصد کر دیا، جو جون 2023 میں مزید بڑھ کر 22 فیصد ہو گئی۔ مالی سال 2023 کے دوران میں غیر ملکی براہ راست سرمایہ کاری میں بھی کمی آئی جس کی وجہ کاروباری ماحول کو درپیش چیلنج اور پالیسی میں بار بار تبدیلی آتھی۔ کاروباری لاگت میں اضافہ کے سبب برآمدات کمی کے بعد 27.7 بلین یو ایس ڈالر تک ہو گئیں (مالی سال 2022 : 31.8 بلین یو ایس ڈالر) اور سمندر پار پاکستانیوں کی ترسیلات، جو مالی سال 2022 میں 31.3 بلین یو ایس ڈالر تھیں، جاری مالی سال 2023 کے دوران میں کم ہو کر 27.0 بلین روپے رہیں۔ اس کے نتیجے میں جون میں اسٹیٹ بینک آف پاکستان کے پاس موجود لیکویڈ زرمبادلہ کے ذخائر 4.5 بلین یو ایس ڈالر رہ گئے۔ جولائی 2023 میں IMF پروگرام کی تجدید اور دوست ممالک سے رول اور زر کی بدولت ریاست کو یو ایس ڈالر ہونے سے بچنے میں مدد ملی اور اگست 2023 میں لیکویڈ زرمبادلہ کے ذخائر 8 بلین یو ایس ڈالر ہو گئے۔

ملک کیلئے برآمدات سے آمدنی، غیر ملکی براہ راست سرمایہ کاری اور بیرون ملک کام کرنے والوں سے ترسیلات زر، درآمدی بل سے مطابقت رکھنے کیلئے اہم ہیں۔ تاہم یہ تینوں ذرائع درآمدی بل سے مطابقت نہیں رکھ سکے اور قرضہ کے دباؤ میں اضافہ ہو گیا۔ اسٹرکچرل اصلاحات نہ ہونے کے باعث ملک کیلئے معاشی چیلنجز کا زور کم نہ ہوا۔ ہمارا نقطہ نظر یہ ہے کہ جب تک ٹیکس نیٹ میں اضافہ کیلئے بڑا قدم نہیں اٹھایا جائیگا ملک کو آمدنی اور اخراجات کے درمیان فرق ختم کرنے کیلئے ہمیشہ بیرونی قرضوں پر انحصار کرنا پڑے گا۔

## ڈائریکٹرز کی رپورٹ

برائے سال ختمہ 30 جون 2023

اورینٹ رینٹل مضاربہ ("Modaraba") کی منجھٹ کمپنی ایمان منجھٹ (پرائیویٹ) لمیٹڈ ("EMAN") کا بورڈ آف ڈائریکٹرز بمسرت مضاربہ کے مالیاتی حسابات برائے سال ختمہ 30 جون 2023 پیش کر رہا ہے۔

مالیاتی جھلکیاں	جون 2023 روپے	جون 2022 روپے
آمدنی	1,761,802,240	1,688,793,652
آپریٹنگ کے اخراجات	(1,273,175,946)	(1,249,463,477)
مجموعی منافع	488,626,294	439,330,175
مالیاتی لاگت	(92,216,076)	(65,399,341)
دیگر اخراجات - خالص	(64,781,953)	(50,710,501)
منجھٹ کے معاوضے سے قبل منافع	331,628,265	323,220,333
مضاربہ منجھٹ کمپنی کا معاوضہ	(33,162,827)	(32,322,033)
منجھٹ کے معاوضہ پر سیلز ٹیکس پروویژن	(4,311,168)	(4,201,864)
سندھ و کرز و بلڈنگ فنڈ کیلئے پروویژن	(5,883,085)	(5,733,929)
قبل از ٹیکس منافع	288,271,185	280,962,507
ٹیکس	(100,769,637)	(110,829,182)
بعد از ٹیکس منافع	187,501,548	170,133,325
غیر تخصیص شدہ منافع گزشتہ سے ہیوستہ	153,493,340	92,386,680
سال کے منافع کے 20 فیصد کی قانونی ذخائر میں منتقلی	(37,500,310)	(34,026,665)
منافع کی تقسیم برائے سال ختمہ 30 جون، 2022 کوئی نہیں	-	(75,000,000)
(برائے سال ختمہ 30 جون، 2021 بحساب 1.0 روپیہ) فی سٹیک کیٹ	-	(75,000,000)



میں چیف ایگزیکٹو آفیسر اور ٹیم ممبرز کی سخت کاوشوں اور لگن کا دل سے شکر گزار ہوں۔ میں رجسٹرار مضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کے تعاون، سپورٹ اور وقتاً فوقتاً رہنمائی کیلئے ان کا ممنون ہوں۔ اس موقع پر میں تمام اسٹیک ہولڈرز، ملازمین، سپلائرز، سرٹیفکیٹ ہولڈرز، بینکرز اور دیگر متعلقہ افراد کے مسلسل تعاون اور ساتھ بھانے پر شکریہ ادا کرتا ہوں۔

چودھری جاوید اقبال

چیرمین

7 ستمبر 2023

## چیئر مین کا جائزہ

عزیز مزار بہ سرٹیفکیٹ ہولڈرز میں اورینٹ رینٹل مزار بہ کی کارکردگی برائے سال ختم شدہ 30 جون 2023 پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

زیر رپورٹ مالیاتی سال عالمی معاشی حالات، IMF پروگرام کے نوس جائزہ کی تکمیل پر پھیلی بے چینی، سیاسی عدم استحکام، برآمدات میں کمی اور بیرون ملک پاکستانیوں کی جانب سے ترسیل زر میں کمی کے باعث شدید دباؤ کی حالت میں رہا۔ موجودہ مالیاتی سال کے دوران میں کرنسی کی قدر 28.4 فیصد کم ہونے اور اس کے ساتھ زرمبادلہ کے ذخائر میں کمی نے جاری معاشی بحران کو اور سنگین کر دیا۔

افراط زر کے دباؤ کو کنٹرول کرنے کیلئے اسٹیٹ بینک آف پاکستان نے مانیٹری پالیسی کو سخت کرتے ہوئے جون 2023 میں شرح سود 13.75 فیصد سے بڑھا کر 22 فیصد کر دی۔ حکومت نے بھی درآمدات پر انتظامی پابندیاں عائد کر دیں مالی اقدامات نے سپلائی چین پر گہرے اثرات مرتب کئے جس سے جی ڈی پی کی شرح کم ہو کر 0.29 فیصد رہ گئی۔

سخت معاشی حالات کے باوجود مزار بہ نے 28 فیصد جی پی کی شرح حاصل کر لی جو گزشتہ سال 26 فیصد تھی۔ مجموعی آمدنی میں 4 فیصد اضافہ ہوا۔ اسی لحاظ سے آپریٹنگ کے اخراجات پر بھی کنٹرول کیا گیا اور بلند افراط زر کے باوجود ان میں 2 فیصد کا معمولی اضافہ ہوا۔ بعد از ٹیکس منافع 187.5 بلین روپے ہوا جو مالی سال 2022 کے مقابلے میں 10 فیصد زیادہ ہے۔ بورڈ نے سال ختم شدہ 30 جون 2023 کیلئے 10 فیصد یعنی 10 روپے والے ہر سرٹیفکیٹ کیلئے 11 روپے ڈیویڈنڈ کا اعلان کیا ہے۔

معیشت کو ابھی بھی عالمی اور ملکی چیلنجز کا سامنا ہے۔ بڑے میکر و اکٹناک اشاریوں بشمول جی ڈی پی کی نمو، سرمایہ کاری، برآمدات اور افراط زر سے ظاہر ہوتا ہے کہ مالی سال 2024 کیلئے 3.1 فیصد نمو کی شرح کا ہدف حاصل کرنا حقیقت سے بعید ہے۔ معیشت کی ترقی کیلئے ٹیکس چوری کا خاتمہ اور GDP کی شرح سے بہتر کرنا ہوگا جو 2022 میں 5.6 فیصد تھی۔ تنخواہ دار طبقہ پر ٹیکس کا بھاری بوجھ ڈالا گیا ہے جبکہ معیشت کا غیر دستاویزی شعبہ ٹیکس سے بچا رہتا ہے۔ تاہم تمام چیلنجز کے باوجود ہم مارکیٹ میں اپنی پوزیشن کو مضبوط رکھنے اور بہتر پیداوار کیلئے پرعزم ہیں۔

## ۷. سالانہ مالیاتی گوشواروں کی بذریعہ ای میل ترسیل

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") نے ایس آر او 2014/787(1) مجریہ 08 ستمبر 2014 کمپنیز کوآڈٹ شدہ مالیاتی گوشوارے مع سالانہ جائزہ میٹنگ کی اطلاع اپنے سرٹیفکیٹ ہولڈرز کو بذریعہ ای میل ارسال کرنے کی اجازت دی ہے۔ لہذا جو سرٹیفکیٹ ہولڈرز آئندہ مضاربہ کی سالانہ رپورٹ بذریعہ ای میل وصول کرنا چاہتے ہوں، ان سے درخواست ہے کہ رضامندی کا فارم (مضاربہ کی ویب سائٹ پر دستیاب ہے) پُر کریں اور ہمارے شیئر رجسٹرار کو بھیجوا دیں۔

## ۸. غیر کلیم شدہ ڈیویڈنڈ

مضاربہ کے غیر کلیم شدہ ڈیویڈنڈز کی فہرست مضاربہ کی ویب سائٹ <https://www.orientmodaraba.com/investors> پر دستیاب ہے۔ جو سرٹیفکیٹ ہولڈرز کسی بھی وجہ سے اپنا ڈیویڈنڈ کلیم نہ کر سکے ہوں، ان کو ہدایت کی جاتی ہے کہ اپنے غیر کلیم شدہ ڈیویڈنڈ حاصل کرنے کی معلومات کیلئے ہمارے شیئر رجسٹرار سے رابطہ کریں۔ جو ڈیویڈنڈ تین سال سے زیادہ عرصے تک غیر کلیم شدہ رہیں گے، وہ کمپنیز ایکٹ 2017 کے سیکشن (2) 244 کے تحت وفاقی حکومت کے پاس جمع کرادیئے جائیں گے۔

## ۹. پتے میں تبدیلی

سرٹیفکیٹ ہولڈرز کو ہدایت کی جاتی ہے کہ وہ اپنے پتے میں تبدیلی (اگر ہوتو) کے بارے میں شیئر رجسٹرار کو مطلع کریں۔

مشترکہ فولیو اسی ڈی ایس اکاؤنٹ ہونے کی صورت میں، ہر شریک ہولڈر کو علیحدہ علیحدہ فعال یا غیر فعال سمجھا جائے گا اور ڈیویڈنڈ کی مشترکہ رقم سے کٹوتی کی جائے گی جس کا تعین ہر شریک ہولڈر کے پاس موجود سرٹیفکیٹ کے یکساں تناسب سے الگ الگ کیا جائے گا، سوائے اس صورت کے، جب شریک ہولڈر (ز) کے پاس موجود سرٹیفکیٹ کا تناسب ہمارے شیئر رجسٹرار کے ریکارڈز کے مطابق پہلے سے فراہم کر دیا گیا ہو تو ٹیکس کی شرح متعلقہ تناسب سے لاگو کی جائے گی۔ جن سرٹیفکیٹ ہولڈرز جن کے سرٹیفکیٹ فولیو/اسی ڈی ایس میں مشترکہ ہیں، ان سے درخواست ہے کہ وہ اپنے سرٹیفکیٹ کے تناسب میں کسی تبدیلی کی صورت میں اس کی اطلاع (تحریری) ہمارے شیئر رجسٹرار کو یا اپنے شریک/اسی ڈی ایس انویسٹر اکاؤنٹ سرورسز کو دیں تاکہ ڈیویڈنڈ کی ادائیگی کیلئے (اگر کوئی ہے) ان کے سرٹیفکیٹ کی تبدیل شدہ شرح اپنے ریکارڈز میں اپ ڈیٹ کی جاسکے۔

انکم ٹیکس میں کمی یا کم شرح پر کٹوتی کی اہلیت رکھنے والے سرٹیفکیٹ ہولڈرز سے درخواست ہے کہ وہ کارآمد ٹیکس سرٹیفکیٹ یا ضروری دستاویزی ثبوت شیئر رجسٹرار کے پاس جمع کرائیں جو بھی صورت ہو۔

ذکوٰۃ کی کٹوتی نہ کروانے کے خواہشمند سرٹیفکیٹ ہولڈرز سے بھی گزارش ہے کہ ذکوٰۃ کی کٹوتی نہ کرنے کا کارآمد ڈکلیئریشن جمع کرائیں۔

## ۵. ڈیویڈنڈ مینڈیٹ

کمپنیز ایکٹ، 2017 ("ایکٹ") کے سیکشن 242 کے مطابق، اسٹاکس/ادارے کی جانب سے نقد ڈیویڈنڈ کی ادائیگی الیکٹرونک کے ذریعے سے کرنا اب لازمی قرار دیا گیا ہے۔ لہذا، اورینٹ ریٹیل مضاربہ کے تمام سرٹیفکیٹ ہولڈرز سے گزارش ہے کہ کمپنی کی ویب سائٹ پر دستیاب فارم "میں اپنے متعلقہ بینک کیلئے ڈیویڈنڈ مینڈیٹ فراہم کریں۔ سینٹرل ڈپازٹری سٹم (CDS) کے تحت شیئر ہولڈنگ رکھنے والے سرٹیفکیٹ ہولڈرز کے درخواست ہے کہ وہ بینک مینڈیٹ کی معلومات براہ راست متعلقہ شریک/اسی ڈی ایس انویسٹر اکاؤنٹ سرورسز کے پاس جمع کرائیں۔ بینک اکاؤنٹ کی تفصیلات نہ ہونے یا نامکمل ہونے کی صورت میں، مضاربہ ان شیئر ہولڈرز کے نقد ڈیویڈنڈ کی ادائیگی روک لے گا جنہوں نے یہ معلومات فراہم نہیں کی ہوں گی۔ مزید معلومات کیلئے آپ ہمارے شیئر رجسٹرار سے رابطہ کریں۔

## ۶. CNIC کی کاپیاں جمع کرانا (لازمی)

جن سرٹیفکیٹ ہولڈرز نے ابھی تک اپنے کارآمد CNIC یا NTN کی کاپیاں جمع نہیں کرائی ہیں، ان سے درخواست ہے کہ فوری طور پر یہ کاپیاں مضاربہ یا ہمارے شیئر رجسٹرار کے پاس جمع کرا دیں۔

اس کے مطابق اجلاس میں شرکت کے خواہشمند سرٹیفکیٹ ہولڈرز سے درخواست ہے کہ خود کو رجسٹر کرانے کیلئے درج ذیل معلومات company.secretary@orientmodaraba.com پر اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے فراہم کریں۔

سرٹیفکیٹ ہولڈر کا نام	CNIC	فولیو/CDC اکاؤنٹ نمبر	سیل نمبر	ملکیتی شیئرز کی تعداد	ای میل پتہ

ویڈیو کانفرنس لنک کی تفصیلات اور لاگ ان کی معلومات رجسٹرڈ شیئر ہولڈرز کے ساتھ شیئر کی جائیں گی جن کے تمام کوائف مقررہ وقت تک موصول ہو جائیں گی۔

## ۲. سرٹیفکیٹ ٹرانسفر بکس کی بندش

مضاربہ کی سرٹیفکیٹ ٹرانسفر بکس 19 اکتوبر 2023 تا 26 اکتوبر 2023 (شامل دونوں ایام) بند رہیں گی۔ درست ٹرانسفرز، جو اورینٹ رینٹل مضاربہ کے رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار لمیٹڈ کے صدر دفتر سی ڈی سی ہاؤس، 99-B، بلاک "B"، SMCHS، مین شارع فیصل کراچی، 74400، ٹیلیفون نمبر 021-111-111-500، فیکس نمبر 021-34326053 کو مورخہ 18 اکتوبر 2023 کو کاروباری اوقات کے اختتام تک موصول ہوں گے، ڈیویڈنڈ کی اہلیت اور سالانہ جائزہ اجلاس میں شرکت کیلئے بروقت تصور ہوں گے۔

## ۳. آڈٹ شدہ مالیاتی گوشواروں کی مضاربہ کی ویب سائٹ پر دستیابی

کمپنیز ایکٹ 2017 کے سیکشن (7) 223 کی رو سے سالانہ رپورٹ برائے سال ختم 30 جون 2023 سرٹیفکیٹ ہولڈرز کو ارسال کرنے کے ساتھ ساتھ مضاربہ کی ویب سائٹ پر بھی جاری کر دی جائے گی۔

## ۴. ڈیویڈنڈ کی رقم پر وہ ہولڈنگ ٹیکس کی کٹوتی

آگم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت ڈیویڈنڈ کی ادائیگی پر آگم ٹیکس کی کٹوتی درج ذیل شرح سے کی جائے گی:

(a) فعال ٹیکس گزاروں کی فہرست میں شامل افراد کیلئے ٹیکس کی شرح	15%
(b) فعال ٹیکس گزاروں کی فہرست میں نہ شامل افراد کیلئے ٹیکس کی شرح	30%

## اطلاع برائے سالانہ جائزہ اجلاس

بذریعہ ہذا مطلع کیا جاتا ہے کہ اورینٹ رینٹل مضاربہ کے سرٹیفکیٹ ہولڈرز کا سالانہ جائزہ اجلاس مورخہ 26 اکتوبر 2023 کو 10:15 بجے، مضاربہ کے رجسٹرڈ دفتر واقع چوتھی منزل، پلاٹ نمبر 9، سیکٹر 24، کورنگی انڈسٹریل ایریا، کراچی میں منعقد ہوگا اور بذریعہ ویڈیو کانفرنسنگ، مضاربہ کی کارکردگی برائے سال مختتمہ 30 جون 2023 جائزہ کیلئے پیش کی جائے گی۔

منجانب بورڈ

محمد جمال احمدانی

کمپنی سیکرٹری

اورینٹ رینٹل مضاربہ

05 اکتوبر 2023، کراچی۔

## 1. اجلاس میں شرکت

### (a) ذاتی حیثیت میں شرکت

مضاربہ کے جن سرٹیفکیٹ ہولڈرز کے نام 18 اکتوبر 2023 کو رجسٹر میں موجود ہوں گے، وہ سالانہ جائزہ اجلاس میں شرکت کے اہل ہوں گے۔

(i) فرد واحد کی صورت میں، اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ ("CNIC") یا اصل پاسپورٹ دکھانا ہوگا۔

(ii) نمائندہ پر کسی ہونے کی صورت میں، اپنی شناخت کی تصدیق کیلئے پر کسی کو اپنا اصل CNIC مع باقاعدہ تصدیق شدہ پر کسی فارم دکھانا ہوگا۔ تمام پر کسی فارم اجلاس کے وقت سے کم از کم 48 گھنٹے پہلے مضاربہ کے رجسٹرڈ دفتر میں لازمی طور پر جمع کرانے ہوں گے۔

(iii) کارپوریٹ ادارہ ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نمونے کے دستخط اور پر کسی فارم اجلاس کے وقت سے کم از کم 48 گھنٹے پہلے مضاربہ کے رجسٹرڈ دفتر میں لازمی طور پر جمع کرانے ہوں گے۔

### (b) شرکت بذریعہ ویڈیو کانفرنسنگ کی سہولت

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") نے اپنے مراسلہ نمبر 4 مورخہ 15 فروری 2021 کے ذریعے لسٹڈ کمپنیز کو ہدایت دی ہے کہ اپنے سرٹیفکیٹ ہولڈرز کی اجلاس عام میں ذاتی حیثیت میں شرکت کو یقینی بنانے کے علاوہ الیکٹرونک ذریعے سے فراہم کرنے کو اپنا معمول بنائیں۔

## تشکیل نیابت داری

میں ام \_\_\_\_\_  
 ساکن \_\_\_\_\_ بحیثیت اور سنٹ رینٹل مضاربہ \_\_\_\_\_ کے  
 رکن و حال \_\_\_\_\_ سرٹیفکیٹ برطابق سرٹیفکیٹ رجسٹرڈ فولیو نمبر \_\_\_\_\_  
 اور ایسی ڈی سی کے شراکتی آئی ڈی نمبر \_\_\_\_\_ اور ذیلی کمانڈ نمبر \_\_\_\_\_  
 محترم / محترمہ \_\_\_\_\_ ساکن \_\_\_\_\_  
 یا بصورت دیگر محترم / محترمہ \_\_\_\_\_ ساکن \_\_\_\_\_

کو اپنی جگہ مورخہ 26 اکتوبر، 2023 کو مستحق یا ملتی ہونے والی چھٹی سالانہ نظر ثانی اجلاس عام میں رائے دہندگی کے لئے اپنا نام سجدہ مقرر کرتا کرتی ہوں۔

تاریخ \_\_\_\_\_  
 گواہ: \_\_\_\_\_  
 1 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 پتہ \_\_\_\_\_

ریونیوٹکٹ چسپاں کریں

دستخط \_\_\_\_\_

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

سی این آئی سی یا سپورٹ نمبر \_\_\_\_\_  
 2 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 پتہ \_\_\_\_\_

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

# Proxy Form

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

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

As my proxy to represent me and on my behalf at the 6th Annual Review Meeting of the Modaraba to be held on 26th day of October 2023 and at any adjournment there of.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

**WITNESSES:**

1 Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

CNIC / or: \_\_\_\_\_

Passport No.: \_\_\_\_\_

2 Signature: \_\_\_\_\_

Name: \_\_\_\_\_

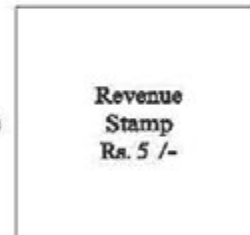
Address: \_\_\_\_\_

\_\_\_\_\_

CNIC / or: \_\_\_\_\_

Passport No.: \_\_\_\_\_

Signature



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

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



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

