



**Modaraba Al-Mali**

**Managed by:  
AssetPlex Limited**

*For the nine months period ended  
March 31, 2023  
(Un-audited)*

[www.modarabaalmali.com](http://www.modarabaalmali.com)

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## CORPORATE INFORMATION

<b>Board of Directors</b>	Mr. Usman Hassan	Chairman
	Mr. Siddique-ur Rehman Khurram	Director/ Chief Executive Officer
	Ms. Aasiya Riaz	Director
	Mr. Hafiz Mudassir Alam	Director
	Mr. Muhammad Usman	Director
	Mr. Aoun Muhammad	Director
<b>Audit Committee</b>	Mr. Hussain Ahmed Ozgen	Chairman
	Mr. Muhammad Usman	Member
	Mr. Usman Hassan	Member
	Mr. Mansoor Ahmed	Secretary
<b>HR &amp; Remuneration Committee</b>	Mr. Hussain Ahmed Ozgen	Chairman
	Mr. Siddique Ur Rehman Khurram	Member
	Mr. Muhammad Usman	Member
	Mr. Muhammad Adeel Rehman	Secretary
<b>Risk Committee</b>	Mr. Usman Hassan	Chairman
	Mr. Hussain Ahmed Ozgen	Member
	Mr. Siddique Ur Rehman Khurram	Member
	Mr. Muhammad Adeel Rehman	Secretary
<b>Nomination Committee</b>	Mr. Usman Hassan	Chairman
	Mr. Hafiz Mudassir Alam	Member
	Mr. Siddique Ur Rehman Khurram	Member
	Mr. Muhammad Adeel Rehman	Secretary
<b>Mangement Team</b>	Mr. Siddique Ur Rehman Khurram	Chief Executive Officer
	Mr. Rashid Matin Khan	Chief Operating Officer
	Mr. Muhammad Adeel Rehman	CFO/Company Secretary
<b>Auditor</b>	Kreston Hyder Bhimji & Co. Chartered Accountants	
<b>Legal Advisor &amp; Consultant to the Merger</b>	Bawaney & Partners Mohsin Tayebaly & Co.-Advocate & Legal Consultants	
<b>Bankers &amp; Financers</b>	BankIslami Pakistan Limited Bank Al-Falah Limited Faysal Bank Limited Meezan Bank Limited JS Bank Limited	
<b>Registrar &amp; Share Registrartion Office</b>	F.D Registrar Services (Pvt.) Limited Saima Trade Tower A 17th Floor I.I Chaundrigar Road Karachi	
<b>Registered Office</b>	Office # 508 LSE Plaza Khayaban-e-Aiwan-e-Iqbal Lahore E-mail: info@modarabaalmali.com URL: http:// www.modarabaalmali.com	

**DIRECTORS' REPORT**

Board of Directors of Assetplex Modaraba Management Limited, the Modaraba Company of Modaraba Al-Mali (MODAM), is pleased present financial statements (limited reviewed by the statutory auditors) for the Nine Months ending on March 31, 2023.

**Financial Results**

	2022-2023	2021-2022
	----- (Rupees) -----	
Net Revenue	0.483	10.42
Other Income	0.162	20.22
Net Profit	(12.54)	24.62
Profit/(Loss) per Certificate	(0.16)	0.78
Transfer to Statutory Reserve	Nil	Nil

**Operational Performance:**

Modaraba's focus has been changed from conventional Islamic financing Modaraba to undertaking Islamic venture capital, private equity and corporate & financial restructuring /rehabilitation transactions of potentially viable companies through resource mobilization. Modaraba has made equity investment in the following companies:

1. LSE Financial Services Limited
2. Ensmile Limited
3. Short term investments

**Financial & Business Plan**

1. Modaraba is acquiring Health Care Business (including equity Investment of PKR 300million made in Ensmile Limited for 1/3rd equity stake) from Metatech Health Limited (META).
2. Increase of Authorized Capital (Fund) from Rs. 800.00 million to Rs. 920.00 million.
3. Modaraba has announced Right Issue of Rs. 113.93 million. Book closures dates (including right entitlement date) shall be announced once approval is received from Registrar Modaraba.



4. Merger of Modaraba Al-Mali is being approved along with Assetplex Limited (as a transferor) with and into Digital Custodian Company Limited (as a transferee) subject to approval from Registrar Modaraba.

## Acknowledgement

The Board would like to take this opportunity to express gratitude and thanks to our valuable customers for their patronage and support, the Securities and Exchange Commission of Pakistan, the Pakistan Exchange Limited and Modaraba Association of Pakistan for their continuous support and guidance.

Special thanks to our certificate holders for the trust and confidence reposed in us.

For and on behalf of the Board

Lahore:  
April 27, 2023

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**Siddique-ur Rehman Khurram**  
Chief Executive Officer

# Modaraba Al-Mali

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

		Un-audited March 31, 2023	Restated Audited June 30, 2022
		Rupees	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	6	315,102	2,384,468
Long-term investments	7	1,230,990,987	1,061,557,187
Investments in Ensmile Studio Project	8	469,688	
Long-term portion of diminishing musharaka	9	-	117,322
		<u>1,231,775,777</u>	<u>1,064,058,977</u>
<b>Current assets</b>			
Tax refunds due from government	10	24,929,045	18,540,284
Current portion of diminishing musharaka	9	259,645	455,176
Ijarah finance	11	3,755,007	3,755,007
Advances, deposits, prepayments and other receivables	12	4,613,997	117,809,299
Short term investments	13	22,598,170	13,124,176
Cash and bank balances	14	6,646,405	19,778,001
		<u>62,802,269</u>	<u>173,461,943</u>
Non-current asset held for sale	15	-	96,616,000
		<u>62,802,269</u>	<u>270,077,943</u>
<b>Total assets</b>		<u><u>1,294,578,046</u></u>	<u><u>1,334,136,920</u></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	16	956,469	104,594
		<u>956,469</u>	<u>104,594</u>
<b>Current liabilities</b>			
Musharaka finance	17	50,000,000	60,000,000
Shor term finance	18	50,000,000	-
Creditors, accrued and other liabilities	19	28,931,687	22,726,605
Security deposits	20	4,812,138	3,797,138
Unclaimed profit distribution		9,875,818	10,358,639
		<u>143,619,643</u>	<u>96,882,382</u>
Liabilities directly associated with the asset held for sale	15	-	74,601,589
		<u>143,619,643</u>	<u>171,483,971</u>
<b>Total liabilities</b>		<u><u>144,576,112</u></u>	<u><u>171,588,565</u></u>
<b>Net assets</b>		<u><u>1,150,001,934</u></u>	<u><u>1,162,548,355</u></u>
<b>Represented by:</b>			
<b>Capital and reserves</b>			
Authorised certificate capital 80,000,000 (June 30, 2022: 80,000,000) Modaraba certificates of Rs.10 each	21	800,000,000	800,000,000
Issued, subscribed and paid-up certificate capital	21	794,239,450	794,239,450
Capital reserves		81,320,896	407,470,085
Revenue reserves		274,441,588	(39,161,180)
		<u>1,150,001,934</u>	<u>1,162,548,355</u>
<b>Contingencies and commitments</b>	22	-	-

The annexed notes from 1 to 31 form an integral part of these financial statements.

AssetPlex Limited  
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

# Modaraba Al-Mali

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

Note	Nine months period ended		Quarter ended		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Rupees					
Income from operation of fuel station	23	-	8,416,258	-	3,143,530
Income on deposits with Islamic banks		1,191,456	1,819,077	74,718	-
Income on Diminishing Musharaka transactions		25,686	194,551	9,970	45,674
Loss on disposal of property and equipment		(189,888)	-	(135,831)	-
Loss on disposal of assets held for sale, investment property		(2,993,928)	-	-	-
Profit on term deposits		-	-	-	1,492,039
Rental income	24	2,450,000	-	1,050,000	-
		483,326	10,429,886	998,857	4,681,243
Expenses on fuel station operations	23	-	(4,685,490)	-	(1,423,037)
Realized (loss) / gain on re-measurement of investments		(29,682,289)	12,877,373	(16,025,308)	2,630,783
Fair value adjustment through profit or loss - net		(29,198,963)	18,621,769	(15,026,451)	5,888,989
Surplus on revaluation on land			40,000,000		40,000,000
Other income		162,312	20,228,933	162,312	13,677,728
Administrative and operating expenses	25	(23,071,483)	(51,600,831)	(8,839,743)	(37,305,233)
Other expenses		(3,819,769)	-	-	-
		(55,927,903)	27,249,871	(23,703,882)	22,261,484
Share of profit of associates		51,692,493	-	51,692,493	-
Provision for services sales tax on management company's remuneration	14.1	-	(3,815)	-	(3,167)
Provision for Workers' Welfare Fund	19	-	(534,311)	-	(436,500)
Musharaka Finance Cost		(7,445,177)	-	-	-
<b>(Loss) / Profit for the period before taxation</b>		<b>(11,680,587)</b>	<b>26,711,745</b>	<b>27,988,611</b>	<b>21,821,817</b>
Taxation	26	(865,834)	2,087,078	-	(2,746,212)
<b>(Loss) / Profit for the period after taxation</b>		<b>(12,546,421)</b>	<b>24,624,666</b>	<b>27,988,611</b>	<b>24,568,029</b>
<b>(Loss) / Earnings per certificate - basic</b>	27	<b>(0.16)</b>	<b>0.78</b>	<b>0.35</b>	<b>0.78</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

AssetPlex Limited  
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees			
Profit for the period after taxation	(12,546,421)	24,624,666	27,988,611	24,568,029
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(12,546,421)</b>	<b>24,624,666</b>	<b>27,988,611</b>	<b>24,568,029</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

AssetPlex Limited  
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

# Modaraba Al-Mali

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Note	March 31, 2023 Rupees	March 31, 2022 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(loss) / Profit for the period before taxation		(11,680,587)	26,711,745
<b>Adjustments for non-cash charges and other items:</b>			
Finance cost on right of use asset (ROUA)		-	15,617
Depreciation on property and equipment		133,525	692,403
Surplus on revaluation on investments		-	(40,000,000)
Musharaka finance cost		7,445,177	-
Other expenses		1,832,631	-
Unrealized loss on re-measurement of short term investments classified as financial assets at fair value through profit or loss-net		(31,644,925)	-
Loss on disposal of property and equipment		189,888	-
Loss on disposal of investment property		2,993,928	-
		<u>(19,049,776)</u>	<u>(39,291,980)</u>
		<u>(30,730,363)</u>	<u>(12,580,235)</u>
<b>(Increase) / decrease in assets</b>			
Advances, deposits, prepayments and other receivables		113,195,302	(47,352,932)
Receivables against Ijarah rentals and maintenance service		-	(8,400,000)
Inventory		-	490,840
		<u>113,195,302</u>	<u>(55,262,092)</u>
<b>Increase / (decrease) in current liabilities</b>			
Creditors, accrued and other liabilities		1,599,405	33,201,477
Security deposits		1,015,000	15,000
		<u>2,614,405</u>	<u>33,216,477</u>
<b>Cash generated from operations</b>		<u>85,079,344</u>	<u>(34,625,850)</u>
Mausharaka finance cost paid		(2,839,500)	-
Income tax paid		(6,402,720)	(2,677,886)
<b>Net cash generated from operating activities</b>		<u>75,837,124</u>	<u>(37,303,736)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets in own use		(269,900)	(2,321,000)
Purchase of long term investments		(429,565,188)	(425,881,454)
Proceeds from sale of long term investments		280,000,000	-
Purchase of short term investments		-	(91,466,794)
Proceeds from disposal of investment property		19,020,483	-
Proceeds from disposal of property and equipment		2,015,853	-
Proceeds from diminishing Musharaka finances		312,853	2,882,090
<b>Net cash used in investing activities</b>		<u>(128,485,899)</u>	<u>(516,787,158)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of musharaka finance - net		(10,000,000)	-
Short term finance acquired		50,000,000	-
Payment of lease liability		-	(608,263)
Receipt of right issue subscription		-	610,000,000
Profit paid to certificate holders		(482,821)	(6,106,880)
<b>Net cash generated from financing activities</b>		<u>39,517,179</u>	<u>603,284,857</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(13,131,596)</u>	<u>49,193,963</u>
Cash and cash equivalents at beginning of the period		19,778,001	53,350,982
<b>Cash and cash equivalents at end of the period</b>	14	<u>6,646,405</u>	<u>102,544,945</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

AssetPlex Limited  
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

# Modaraba Al-Mali

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

Paid-up certificate capital	Reserves						Total reserves	Total	
	Capital					Revenue			
	Premium on issue of certificates	Statutory reserve	Surplus on revaluation of Investment Property	Fair Value reserve	Total capital reserves	Unappropriated profit / (Accumulated loss)			
Rupees									
Balance as at June 30, 2021	184,239,450	511,409	73,642,584	66,532,230	-	140,686,223	(55,283,857)	85,402,366	269,641,816
Right issue	610,000,000	-	-	-	-	-	-	-	610,000,000
Final cash dividend of Re. 0.37 per certificate for the year ended June 30, 2022	-	-	-	-	-	-	(6,816,860)	(6,816,860)	(6,816,860)
Total comprehensive income for the nine months period ended March 31, 2022	-	-	-	-	-	-	24,624,666	24,624,666	24,624,666
Balance as at December 31, 2021	794,239,450	511,409	73,642,584	66,532,230	-	140,686,223	(37,476,051)	103,210,172	897,449,622
Right issue	-	-	-	-	-	-	-	-	-
Expenses incurred on issuance of right issue	-	(511,409)	-	-	-	(511,409)	(35,136,739)	(35,648,148)	(35,648,148)
Fair value gain on investments measured	-	-	-	252,294,840	252,294,840	-	-	252,294,840	504,589,680
Total comprehensive income for the three months period ended June 30, 2022	-	-	-	-	-	-	13,766,894	13,766,894	13,766,894
Other comprehensive loss for the year ended June 30, 2022	-	-	-	-	-	-	(308,153)	(308,153)	(308,153)
Transfer to statutory reserve	-	-	7,678,312	-	-	7,678,312	(7,678,312)	-	7,678,312
Balance as at June 30, 2022	794,239,450	-	81,320,896	66,532,230	252,294,840	400,147,966	(66,832,361)	333,315,605	1,387,528,207
<b>Balance as at July 31, 2022 - as previously reported</b>	794,239,450	-	81,320,896	66,532,230	252,294,840	400,147,966	(66,832,361)	333,315,605	1,127,555,055
Effects for the correction of error (Note 5.1)	-	-	-	-	-	-	27,671,181	27,671,181	27,671,181
Effects for the correction of error (Note 5.2)	-	-	-	-	7,322,119	7,322,119	-	7,322,119	7,322,119
<b>Balance as at July 31, 2022 - as restated</b>	794,239,450	-	81,320,896	66,532,230	259,616,959	407,470,085	(39,161,180)	368,308,905	1,162,548,355
Fair value reserve on investments measured through FVOCI transferred to accumulated loss	-	-	-	-	(259,616,959)	(259,616,959)	259,616,959	-	-
Surplus on revaluation of investment property realized during the period	-	-	-	(66,532,230)	-	(66,532,230)	66,532,230	-	-
Total comprehensive income for the six months period ended March 31, 2023	-	-	-	-	-	-	(12,546,421)	(12,546,421)	(12,546,421)
Balance as at March 31, 2023	794,239,450	-	81,320,896	-	-	81,320,896	274,441,588	355,762,484	1,150,001,934

The annexed notes from 1 to 31 form an integral part of these financial statements.

AssetPlex Limited  
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Modaraba Al-Mali (the "Modaraba") is a multipurpose and perpetual Modaraba floated in Pakistan on July 8, 1987 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 ("Modaraba Ordinance, 1980"), and Modaraba Companies and Modaraba Rules, 1981 (Modaraba Rules, 1981) and is managed by AssetPlex Modaraba Management Limited (the "Management Company"), a company registered under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Modaraba is listed on the Pakistan Stock Exchange Limited. The registered office of the Modaraba is situated at 505, 5th Floor, LSE Plaza, Kashmir-Edgerton Road, Lahore, in the province of Punjab.

The Modaraba was previously engaged in the business of Leasing / Ijarah, Murabaha, Musharaka Financing and operation of petrol and diesel filling / service station. Bank Islami Pakistan Limited has disposed off its ownership stake in the management company of the Modaraba which has now been acquired by a new group. Upon transfer to the new management, the Modaraba's focus has been changed from conventional Islamic financing modaraba to undertake Islamic venture capital, private equity and corporate & financial restructuring / rehabilitation transactions of potentially viable companies through resource mobilization.

Pakistan Credit Rating Agency (PACRA) has maintained long term entity rating of BBB+ and short term rating of A2 on March 25, 2022, for the Modaraba.

### 2. BASIS OF PREPARATION

#### Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP);
- Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations 2021; and
- Provisions of and directives issued by the Securities & Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

Where the provisions of and directives issued under the Companies Act 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations 2021 and IFASs differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations 2021 and IFASs have been followed.

These condensed interim financial statements do not include all the information required for a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Modaraba for the year ended June 30, 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of the Code of Corporate Governance.

### 2.2 Functional and presentation currency

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

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

SECP vide its circular No. 10 of 2004 dated February 13, 2004 had deferred, till further orders, the applicability of International Accounting Standard (IAS) 17 "Leases" on modarabas with effect from July 1, 2003 and advised the management companies of modarabas that they may continue to prepare the financial statements of the modarabas without applying the requirements of IAS 17. However, the requirements of IAS 17 were considered for the purpose of leasing transactions (net investment in finance lease, assets given on finance lease, liabilities against assets subject to finance lease, and assets obtained on finance lease) entered into by the Modaraba up to June 30, 2008. Currently, lease transactions (both for assets given and assets obtained) are being accounted for in accordance with the requirements of IFAS 2 as explained in note 2.3.2.

Islamic Financial Accounting Standard (IFAS) 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan was adopted by the SECP vide SRO 431(1)/ 2007 dated May 5, 2007. Under the above IFAS 2, the Ijarah transactions are accounted for in the following manner:

- Mu'jir (lessor) presents assets subject to Ijarah on their balance sheet according to the nature of the asset, distinguished from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognized as expense.



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

- Ijarah income is recognized in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

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

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

Accordingly, the Modaraba had adopted all requirements of IFRS 9 and had determined the provision in respect of financings as per the requirements of the repealed Prudential Regulations in the financial statements for the year ended June 30, 2019. During the year ended June 30, 2020, the SECP extended the applicability of IFRS 9 for another period of one year i.e. year ending on June 30, 2021 which was further delayed until June 30, 2022.

With effect from July 01, 2022, the Modaraba has adopted the requirements of IFRS 9 as to the provision for impairment for financings made by it. However, this requirement has no financial impact on the profitability of Modaraba as the Modaraba has not made any financing during the current period in line with its strategic management of business and change in business portfolio. In addition to this, all the investments of Modaraba are in listed equity instruments and any change in fair value is being recorded in these condensed interim financial statements in profit and loss account / other comprehensive income.

### **2.4 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards**

New standards, interpretations and amendments to published approved accounting and reporting standards which are effective during the half year ended December 31, 2022 and are relevant:

There are certain other standards, amendments and interpretations that are mandatory for the Modaraba's accounting periods beginning on or after July 01, 2022 but are considered not to be relevant for the Modaraba's financial reporting process and hence have not been disclosed here.

Standards and amendments to approved accounting and reporting standards that are not yet effective

There are new standards and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Modaraba's annual accounting periods beginning on or after July 01, 2023. However, these standard, amendments and interpretation will

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

not have any significant impact on the financial reporting of the Modaraba and, therefore, have not been disclosed in these condensed interim financial statements.

### 2.5 USE OF ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. The areas where judgments were made in the application of accounting policies and estimates that are significant to these financial statements are the same as those that were disclosed in the last audited financial statements for the year ended June 30, 2022.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of Modaraba for the year ended June 30, 2022, except for the following which have been adopted during the current period.

#### **Investments in equity instruments of associated companies**

Associates are all entities over which the Company has significant influence but no control. Investments in associates are measured at cost less any identified impairment loss if any in the Company's separate financial statements. However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense.

In case where an investment held in the equity instruments of an investee have previously been classified as FVOCI under IFRS 9, "Financial Instruments" becomes an associate as defined in the Companies Act, 2017 and International Financial Reporting Standards, where the investment in the investee exceeds 20% of its entire share capital but does not exceed 50%, in such case, the fair value reserve accumulated in the statement of changes in equity in respect of such investment is transferred to retained earnings and the investment is classified as "Investment in associate" in accordance with IAS 28, "Investment in Associates and Joint Ventures". Under this method, the investment is measured at cost which is the fair value of the investment at the date of classification as an investment in associate.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023**

**4. FINANCIAL RISK MANAGEMENT AND POLICIES**

The financial risk management objectives and policies are consistent with those disclosed in the annual published financial statements of the Modaraba for the year ended June 30, 2022.

**5. CORRECTION OF ERRORS**

During the FY June 30, 2022, the Modaraba has inadvertently recognized deferred tax liability on the investment property classified as held for sale in the profit and loss account. Since, the said property had been acquired by the Modaraba for the past many years and accordingly does not come under the ambit of taxation on capital gain. As a result, the deferred tax previously recognized on this property and classified as "liabilities directly associated with assets held for sale" couldn't be reversed on the disposal of property, therefore, the deferred tax liability pertaining to assets held for sale recognized in the year ended June 30, 2022 is being reversed retrospectively in accordance with the requirements of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The financial impact of this correction of error is disclosed below:

<b>Balance Sheet</b>	<b>July 1, 2022</b>
<b>Current liabilities</b>	
(Decrease) in liabilities directly associated with the asset held for sale	(27,671,181)
Increase in revenue reserves	27,671,181

**Statement of changes in equity**

Increase in revenue reserves	27,671,181
------------------------------	------------

During the FY June 30, 2022 another error was also observed in the valuation of investment in the shares of LSE Financial Services Limited carried at fair value through OCI. This error was also rectified retrospectively in accordance with the requirements of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The financial impact of this correction of error is disclosed below:

**Balance Sheet**

**Non-current assets**

Increase in long term investments	7,322,119
Increase in Fair value reserve	7,322,119

**Statement of changes in equity**

Increase in Fair value reserve	7,322,119
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Since, the above errors pertains to the year June 30, 2022, therefore these errors had no impact on the opening balance of the earliest period presented. Further, the profit and loss account for the year ended June 30, 2022 is also not being presented, therefore, this error also had no impact on the profit and loss account and earnings per certificate for the corresponding interim period presented.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

		2023							
6. PROPERTY AND EQUIPMENT	6.1 Operating fixed assets - tangible	Lease hold land - fuel station	Building - fuel station	Office premises	Vehicles	Furniture and fixtures	Office equipment	Computers	Total
		Rupees							
<b>At July 01, 2022</b>									
	Cost	-	-	3,163,178	42,500	1,958,977	3,269,931	2,355,898	10,790,484
	Accumulated depreciation	-	-	(963,178)	(42,500)	(1,870,240)	(3,174,200)	(2,355,898)	(8,406,016)
	<b>Net book value</b>	-	-	2,200,000	-	88,737	95,731	-	2,384,468
	<b>Additions</b>	-	-	-	-	-	180,000	89,900	269,900
	<b>Depreciation charge for the year</b>	-	-	(64,169)	-	(18,822)	(27,102)	(23,432)	(133,525)
	<b>Disposals / transfers</b>								
	Cost	-	-	2,200,000	42,500	1,958,972	3,148,089	2,355,898	9,705,459
	Depreciation	-	-	(64,169)	(42,500)	(1,889,062)	(3,148,089)	(2,355,898)	(7,499,718)
		-	-	2,135,831	-	69,910	-	-	2,205,741
	<b>Closing net book value</b>	-	-	-	-	5	248,629	66,468	315,102
<b>At December 31, 2022</b>									
	Cost	-	-	963,178	-	5	301,842	89,900	1,354,925
	Accumulated depreciation	-	-	(963,178)	-	-	(53,213)	(23,432)	(1,039,823)
	<b>Net book value</b>	-	-	-	-	5	248,629	66,468	315,102
	<b>Life (Years)</b>	-	20	20	5	10	2 to 5	3	
		2022							
At July 01, 2021		Lease hold land - fuel station	Building - fuel station	Office premises -	Vehicles	Furniture and fixtures	Office equipment	Computers	Total
		Rupees							
	Cost	63,848,000	8,399,474	963,178	42,500	2,004,827	3,396,074	2,388,488	81,042,541
	Accumulated depreciation	-	(4,436,918)	(963,178)	(34,692)	(1,900,929)	(3,383,699)	(2,388,488)	(13,107,904)
	<b>Net book value</b>	63,848,000	3,962,556	-	7,808	103,898	12,375	-	67,934,637
	<b>Additions</b>	-	-	2,200,000	-	-	121,000	-	2,321,000
	<b>Depreciation charge for the year</b>	-	(139,992)	-	(7,808)	(15,161)	(37,644)	-	(200,605)
	<b>Disposals / transfers</b>								
	Cost	63,848,000	8,399,474	-	-	45,850	247,143	32,590	72,573,057
	Depreciation	-	(4,576,910)	-	-	(45,850)	(247,143)	(32,590)	(4,902,493)
		63,848,000	3,822,564	-	-	-	-	-	67,670,564
	<b>Closing net book value</b>	-	-	2,200,000	-	88,737	95,731	-	2,384,468
<b>At June 30, 2022</b>									
	Cost	-	-	3,163,178	42,500	1,958,977	3,269,931	2,355,898	10,790,484
	Accumulated depreciation	-	-	(963,178)	(42,500)	(1,870,240)	(3,174,200)	(2,355,898)	(8,406,016)
	<b>Net book value</b>	-	-	2,200,000	-	88,737	95,731	-	2,384,468
	<b>Life (Years)</b>	-	20	20	5	10	2 to 5	3	

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Note	Unaudited March 31, 2023 Rupees	Audited June 30, 2022 Rupees
<b>7. LONG TERM INVESTMENTS</b>			
<b>Investments in equity instruments - associated companies measured at cost</b>			
LSE Financial Services Limited - unquoted	7.1	930,611,862	-
<b>Investments in equity instruments</b>			
Ensmile Limited - UnQuoted		300,000,000	-
<b>Investments in equity instruments, measured at Fair value through OCI</b>			
LSE Financial Services Limited - unquoted	7.2	-	647,789,244
<b>Investments in debt instruments</b>			
<b>At Amortized cost</b>			
PGP Consortium Limited		-	281,832,631
Advance against purchase of shares of associated companies:			
LSE Financial Services Limited - unquoted		379,125	106,935,312
MetaTech Health Limited - Quoted		-	25,000,000
		<b>1,230,990,987</b>	<b>1,061,557,187</b>
<b>7.1</b> The Modaraba holds 46,695,467 (June 30, 2022: 33,322,492) fully paid ordinary shares of Rs. 10 each which represents 26% (June 30, 2022: 18.55%) of the total paid-up capital of the investee. Since, the investment in the above named associated company qualifies the criteria of associate as defined in Companies Act, 2017 and the requirements of IFRSs, the investment is reclassified from FVOCI to investment in associate and measured at cost which is the fair value of the investment at the date of such reclassification. (Refer Note - 7.2.1).			
<b>7.2</b> This represents investment made with the intention of establishing or maintaining a long-term operating relationship in LSE Financial Services Limited an unquoted Company by the Modaraba. The net asset value of the investment per share is Rs. 19.44 which has been calculated by reference to net assets of the LSE Financial Services Limited on the basis of audited financial statements for the year ended June 30, 2022 audited by Crowe Hussain Chaudhary & Company, Chartered Accountants.			
		<b>Unaudited March 31, 2023 Rupees</b>	<b>Audited June 30, 2022 Rupees</b>
<b>7.3</b> LSE Financial Services Limited		<b>930,611,863</b>	Rested
Fair value reserve		-	388,172,285
Reclassification adjustment	7.1	<b>(930,611,863)</b>	259,616,959
		<b>-</b>	<b>647,789,244</b>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Unaudited March 31, 2023 Rupees	Audited June 30, 2022 Rupees
<b>8. INVESTMENT IN ENSMILE PROJECT</b>		
Current Liabilities	(24,697,203)	-
Tangible fixed assets	14,431,847	-
Current Assets	10,735,044	-
Payable to Metatech Health Limited	(469,688)	-
<b>9. DIMINISHING MUSHARAKA</b>		
Musharaka finance	259,645	572,498
Less: Current portion of diminishing musharaka	<u>(259,645)</u>	<u>(455,176)</u>
Long term portion of diminishing musharaka	<u>-</u>	<u>117,322</u>
	<u>24,929,045</u>	<u>18,540,284</u>
<b>10. TAX REFUNDS FROM GOVERNMENT</b>		
<p>These represent amounts either withheld by various withholding agents on account of payments received by the Modaraba or advance tax paid by the Modaraba as required under the Income Tax Ordinance, 2001 at the time of making certain payments. In respect of tax years 2014, 2015 and 2019, the FBR had passed orders of refund for amounts less than that claimed by Modaraba in its refund applications. The Modaraba had filed a rectification application against the said orders and the management is confident that the appeal will be decided in favour of the Modaraba.</p>		
<b>11. IJARAH FINANCE</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
Ijarah contracts commencing up to June 30, 2008	<b>March 31,</b>	<b>June 30,</b>
- accounted for as finance leases	<b>2023</b>	<b>2022</b>
	<b>Rupees</b>	<b>Rupees</b>
Minimum lease payments due	40,480,939	40,480,939
Residual value of leased assets	<u>3,755,007</u>	<u>3,755,007</u>
Total receivable	<u>44,235,946</u>	<u>44,235,946</u>
Suspended lease income	<u>(7,491,364)</u>	<u>(7,491,364)</u>
Provision for impairment against potential Ijarah losses	<u>(32,989,575)</u>	<u>(32,989,575)</u>
	<u>(40,480,939)</u>	<u>(40,480,939)</u>
	<u>3,755,007</u>	<u>3,755,007</u>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

- 11.1. These Ijarah finances are fully provided and the remaining amount represents amount of security deposit to be adjusted at the time of settlement with the defaulted parties. Since the finance is non-performing, no income is accrued on it in accordance with the Modaraba Regulations, 2021.

		(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
<b>12. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
<b>Considered good</b>			
<b>Advances</b>			
- to employees against salary		-	50,000
- to broker		83,133	60,976
		83,133	110,976
Receivable from corporate entities	12.1	2,074,712	104,355,468
Dividend income receivable	12.2	-	10,724,261
Defined benefit plan - staff gratuity		1,141,614	1,141,614
Prepayments		654,845	635,235
Others		659,693	841,745
		4,530,864	117,698,323
		4,613,997	117,809,299
		(Un-audited)	(Audited)
		March 31,	June 30,
		2023	2022
<b>12.1 This represents the balance receivable from the following corporate parties:</b>	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<u>Related parties - Associated companies</u>			
Meta Tech Health Limited		-	73,381,961
Data Textile Limited		2,074,712	172,500
<u>Other parties</u>			
Oil Boy Energy Limited		-	30,801,007
		2,074,712	104,355,468

- 12.2 This represented dividend income on PGP preference shares receivable semi annually and had been received during the year. Since, the Modaraba has realized its investment for investment in another shares, therefore, no dividend income is accrued during the current interim period being not applicable in the instant case.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
<b>13. SHORT TERM INVESTMENTS</b>			
<b>At fair value through profit and loss account</b>			
Investment in listed equity securities		<u>22,598,170</u>	<u>13,124,176</u>

**13.1 Investment in listed equity securities**

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

	March 31, 2023 (Un-audited)				June 30, 2022 (Audited)			
	Number of shares	Cost	Fair value	Unrealized gain	Number of shares	Cost	Fair value	Unrealized loss
	----- Rupees -----				----- Rupees -----			
<b>Gem board transport</b>								
Universal Network Transport System	267,895	17,413,175	16,475,543	(964,422)	267,895	17,413,175	13,124,176	(4,288,999)
Metatech Health Limited	1,029,013	18,404,977	6,122,627	(12,282,350)	-	-	-	-
<b>Total</b>		<u>35,818,152</u>	<u>22,598,170</u>	<u>(13,246,772)</u>		<u>17,413,175</u>	<u>13,124,176</u>	<u>(4,288,999)</u>

13.2 Fair value of listed equity securities represents market value prevailing on March 31.

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
<b>14. CASH AND BANK BALANCES</b>			
Balances with banks in:			
- profit and loss sharing accounts	14.1.	2,570,305	15,702,098
- current accounts		4,071,188	4,070,991
		6,641,493	19,773,089
Balances with State Bank of Pakistan		4,912	4,912
		<u>6,646,405</u>	<u>19,778,001</u>

14.1. These accounts carry profit at rates ranging from 8% to 10% (June 30, 2022: 1.95% to 8.68%) per annum.



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
<b>15. Non-CURRENT ASSETS HELD FOR SALE</b>	<b>Note</b>	
Investment property	-	96,616,000
<b>Liabilities directly associated with assets held for sale</b>		Restated
Proceeds against disposal of investment property	-	74,601,589
<p>This represented investment property that was previously classified as held for sale, has been sold out during the period for a total consideration of Rs. 93.622 million which resulted in a loss of Rs. 2.994 million. The assets classified as held for sale have been realized and all related liabilities including advance proceeds against disposal of investment property have been settled during the current period and the revaluation surplus on investment property has been realized during the period and transferred to retained earnings in the statement of changes in equity.</p>		
<b>16. DEFERRED TAX LIABILITIES</b>		<i>Restated</i>
<b>Deferred tax liabilities arising due to taxable temporary differences</b>		
Defined benefit plan - staff gratuity	276,637	276,637
Long term investments	-	531,463
Investments	187,935	-
Property and equipment	491,897	-
<b>Deferred tax assets arising due to deductible temporary differences</b>		
Investments	-	(643,350)
Property and equipment	-	(60,156)
Unavailed tax losses	(21,234,820)	-
	<u>(21,234,820)</u>	<u>(703,506)</u>
<b>Net deferred tax liability</b>	<b>(20,278,351)</b>	<b>104,594</b>
Less: Deferred tax assets not recognized	21,234,820	-
<b>Net deferred tax liability recognized in the balance sheet as at March 31,</b>	<b><u>956,469</u></b>	<b><u>104,594</u></b>
<b>Deferred tax charged in the profit and loss account is as follows:</b>		
Balance as at December 31,	956,469	-
Less: Balance as at June 30,	(104,594)	-
<b>Deferred tax expense charged to profit and loss account</b>	<b>26 <u>851,875</u></b>	<b><u>-</u></b>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

16.1 Deferred tax assets in respect of unavailed losses have not been recognized in these condensed interim financial statements as it is not probable that future taxable profits will be available in the foreseeable future against which the taxable losses will be reversed.

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
<b>17. MUSHARAKA FINANCE</b>			
Universal Network Systems Limited	17.1	-	60,000,000
Digital Custodian Company Limited - related party			
Associated company	17.2	<u>50,000,000</u>	<u>-</u>
		<u>50,000,000</u>	<u>60,000,000</u>

17.1 This represented musharaka finance facility obtained from the above named public listed company in the sum of Rs. 60 million (June 30, 2022: Rs. 60 million) for a tenor of 89 days to meet its working capital requirements. It carried profit rate @ 6 months Kibor + 3.5% per annum. This facility had been paid off in full during the year along with profit.

17.2 This represents musharaka finance facility obtained from the above named public unlisted company in the sum of Rs. 50 million (June 30, 2022: Nil) for a tenor of 276 days to meet its working capital requirements. It carries profit rate @ 6 months Kibor + 2% per annum. This facility along with profit will be paid off in full on maturity.

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
<b>18. SHORT TERM FINANCE - related party</b>			
<i>AssetPlex Modaraba Management Company</i>		<u>50,000,000</u>	<u>-</u>

18.1 This represents short term financial assistance availed from the above named related party to meet the operational requirements of the Modaraba's business. It is unsecured, interest free and payable on demand.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
	Note	Rupees	Rupees
<b>19. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>			
Management fee Payable - related party			
Modaraba Management Company - AssetPlex Limited	19.1	9,529,655	9,529,655
Accrued liabilities		2,651,515	5,090,552
Payable to provincial government		1,247,338	1,247,338
Profit Payable on musharaka certificate	19.2	5,041,096	435,419
Payable to gratuity fund		231,411	231,411
Payable to Modaraba management company		2,912,025	432,384
Payable to Ensmile Studio Project		469,688	-
Ijarah rental received in advance		29,381	123,246
Charity and donation		68,211	67,022
Others		6,751,367	5,569,578
		<b>28,931,687</b>	<b>22,726,605</b>

19.1 The Modaraba Management Company is entitled to a remuneration for services rendered to Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of Modaraba. Since, the Modaraba had incurred a loss during the current interim period, therefore, no provision for management fee for the current period has been accrued in these condensed interim financial statements.

19.2 This represents profit payable to Digital Custodian Company Limited, an associated company, on the musharaka finance facility obtained from the said party.

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
	Note	Rupees	Rupees
<b>20. SECURITY DEPOSITS</b>			
		<b>4,812,138</b>	<b>3,797,138</b>

These represent amounts received under Ijarah Finance as security deposits, repayable / adjustable on the expiry of the Ijarah period amounting to Rs. 3,797,138 and a deposit of Rs. 1,050,000 received from a related party namely; MetaTech Health Limited, an associated company against the office premises owned by the Modaraba being offered on rent to the said related party.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

21 AUTHORIZED, ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL	March 31, 2023 (Un-audited) (Number of certificates)	June 30, 2022 (Audited)
<b>Authorized certificate capital</b>		
Modaraba certificates of Rs.10 each	<u>80,000,000</u>	<u>80,000,000</u>
<b>Issued, subscribed and paid-up certificate capital</b>		
Modaraba Certificates of Rs. 10 each fully paid in cash	13,569,000	13,569,000
Modaraba Certificates of Rs. 10 each issued as fully paid bonus certificates	4,688,400	4,688,400
Modaraba Certificates of Rs. 10 each issued on merger	166,545	166,545
Modaraba Certificates of Rs. 10 each issued as fully paid right issue certificates	<u>61,000,000</u>	<u>61,000,000</u>
	<u>79,423,945</u>	<u>79,423,945</u>

The certificate capital of the Modaraba is held by the following associates:

<u>Name of the party</u>	<u>Number of certificates held</u>	
<b>Modaraba Management Company</b>		
AssetPlex Limited	14,746,591	14,746,591
<b>Associated company</b>		
Digital Custodian Company Limited	7,943,905	7,943,905
<b>Substantial shareholder</b>		
Danish Elahi	<u>17,500,000</u>	<u>17,500,000</u>
	<u>40,190,496</u>	<u>40,190,496</u>

## 22. CONTINGENCIES AND COMMITMENTS

### Contingencies

There were no contingencies as at March 31, 2023 (June 30, 2022: Nil).

### Commitments

There were no commitments outstanding as at March 31, 2023 (June 30, 2022: Nil).

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

### 23. PROFIT FROM OPERATIONS OF FUEL STATION

	(Un-audited)		(Un-audited)	
	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	← Rupees →			
<b>Income</b>				
Sale of fuel	-	240,583,761	-	86,139,768
Cost of sales	-	(233,556,503)	-	(83,463,238)
	-	7,027,258	-	2,676,530
Rental income	-	1,389,000	-	467,000
	-	8,416,258	-	3,143,530
<b>Expenses</b>				
Salaries and allowances	-	2,234,223	-	748,096
Generator fuel	-	143,067	-	56,892
Depreciation	-	141,144	-	-
Electricity	-	281,731	-	109,906
Repairs and maintenance	-	930,862	-	189,046
Printing and stationery	-	25,389	-	6,187
Security guards	-	434,800	-	150,000
Insurance	-	65,502	-	21,834
Telephone	-	19,017	-	6,651
Rent, rates & taxes	-	188,848	-	67,893
Miscellaneous	-	220,907	-	66,532
	-	4,685,490	-	1,423,037
	-	3,730,768	-	1,720,493

23.1 This represented the revenue receipts earned and expenses incurred from the operation of petrol and diesel filling / service station that was sold out during the year ended June 30, 2022.

<b>March 31, 2023</b>	<b>June 30, 2022</b>
<b>(Un-audited)</b>	<b>(Audited)</b>

### 24. RENTAL INCOME

<b>2,450,000</b>	<b>-</b>
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This represents rental income received from MetaTech Health Limited against the rental of office premises to the said related party

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

### 25. ADMINISTRATIVE AND OPERATING EXPENSES

	(Un-audited)		(Un-audited)	
	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	← Rupees →			
Salaries, allowances and other benefits	5,012,999	2,651,002	1,911,188	832,558
Rent, rates and taxes	880,768	432,627	150,000	109,867
Fuel and conveyance	285,821	139,488	94,277	52,617
Repairs and maintenance	742,392	256,034	199,722	31,950
Legal and professional	5,528,054	36,965,039	1,757,990	28,160,731
Travelling and conveyance	723,919	-	124,560	-
Electricity	-	146,505	-	27,181
Telephone	18,000	153,798	6,000	59,320
Entertainment	2,690,713	107,098	1,583,472	22,308
Insurance	44,621	71,577	-	23,859
Printing and stationery	686,648	398,183	169,863	115,606
Auditors' remuneration	1,172,955	2,175,430	972,955	1,656,925
Subscription	545,796	354,714	302,999	118,235
Registrar services	275,200	680,275	111,800	518,150
Postage	99,804	99,050	30,860	27,742
Advertisement	316,699	319,918	60,499	25,299
Commission		5,142,444		5,142,444
Others	3,913,569	940,773	1,322,513	216,727
Depreciation	133,525	551,259	41,045	156,505
Finance cost on right of use asset	-	15,617	-	7,209
	<u>23,071,483</u>	<u>51,600,831</u>	<u>8,839,743</u>	<u>37,305,233</u>

25.1 These include contribution to Employees Provident Fund amounting to Rs. 269,541 (March 31, 2022: Rs. 170,261).

		March 31, 2023	June 30, 2022
		(Un-audited)	(Audited)
26. TAXATION			
Current tax			
minimum tax	26.1	13,959	-
normal tax		-	4,833,290
Deferred tax			
for the year	16	<u>851,875</u>	-
		<u>865,834</u>	<u>4,833,290</u>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

26.1 The Modaraba had incurred an accounting loss before taxation amounting to Rs. 39.669 million as well as taxable loss for the period in the sum of Rs. 65.930 million, therefore no provision for taxation in respect of normal tax and alternate corporate tax is applicable in the instantly case. However, provision for minimum tax is being charged in these condensed interim financial statements.

The income tax returns of the Modaraba have been filed upto the financial year ended June 30, 2022 which are deemed assessed under the Income Tax Ordinance, 2001, unless selected for audit by taxation authorities.

	<b>March 31, 2023 (Un-audited)</b>	June 30, 2022 (Audited)
<b>27. (LOSS) / EARNINGS PER CERTIFICATE</b>		
(Loss) / earnings for the period	<b>(12,546,421)</b>	24,624,666
Weighted average number of certificates outstanding during the period	<b>79,423,945</b>	79,423,945
(Loss) / earnings per Modaraba certificate - basic	<b>(0.16)</b>	0.31

Diluted earnings per certificate has not been presented as the Modaraba did not have any convertible instruments in issue as at December 31, 2021 and 2022 which would have any effect on the (loss) / earnings per certificate if the option to convert is exercised.

### 28. RELATED PARTY TRANSACTIONS

The related parties comprise of AssetPlex Limited being the Modaraba management company, major certificate holders and their family members, directors of the Modaraba management company and their close family members, key management personnel of the Modaraba and the management company and their close family members, the provident and gratuity funds and entities with common directors or under common management.

28.1 Outstanding balances receivable from / (payable to) have been disclosed in the relevant notes to these condensed interim financial statements. Other transactions entered into with related parties during the period are as follows:

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

Name of the party and nature of transactions	Relationship	(Un-audited)	
		Nine months period ended	
		March 31, 2023 Rupees	March 31, 2022 Rupees
<b>AssetPlex Modaraba Management</b>			
Short term finance acquired		50,000,000	-
Service sales tax on management fee	Modaraba Management Company	-	3,815
<b>MetaTech Health Limited</b>			
Rental income	Associated company	1,400,000	-
<b>Digital Custodian Company Limited</b>			
Musharaka finance obtained from the party		50,000,000	-
Musharaka finance cost	Associated company	5,041,096	-
<b>Retirement benefits</b>			
Contributions to staff provident fund		162,819	170,261
Contribution to staff gratuity fund		6,174	7,938

### 29. Fair Value of Financial Instruments

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

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 regulatory occurring market transactions on an arms' 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

- Inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

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

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

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

The carrying values of all other financial assets and liabilities reflected in these condensed interim financial statements approximate their fair value.

### 30. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on February 28, 2023 have decided for the acquisition of health care business from MetaTech Health Limited, an associated company including the equity investment of Rs. 300 million made in Ensmile (Private) Limited by the said associated company representing 1/3rd of the equity stake. This transfer of business by the MetaTech Health Limited to the Modaraba includes the acquisition of dental studios being established across the country along with all the underling assets and related liabilities against the consideration of Rs. 9 million (approx.) based on the half yearly financial statements of the associated company for the period ended December 31, 2022. All the assets and liabilities will be transferred at the carrying values as on the effective date of transfer i.e. March 24, 2023.

The Management of the Modaraba also intends to increase its authorized capital to Rs. 920 million subject to the approval from Registrar Modaraba after complying with all the legal formalities in this regard.

In addition to this, the merger of Modaraba along with its management company namely; AssetPlex Modaraba Management is also being approved with and into Digital Custodian Company Limited, an associated company.

### 31. GENERAL

- 31.1 The figures in these condensed interim financial statements have been rounded off to the nearest Rupee.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023

31.2 "Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. Major reclassification made in the corresponding figures during the period in addition to the restatement of corresponding figures due to the effects as disclosed in note 5 are as follows:

	June 30, 2022	Reclassification	
	Rupees	From	To
Advance against investments	131,935,312	Advances	Long term other investments

### 32. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Modaraba Management Company on April 27, 2023.

AssetPlex Limited  
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

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