



Modaraba Al-Mali

**Management By:
LSE Capital Limited**

**For the Quarter ended
September 30, 2023
(Un-audited)**

www.modarabaalmali.com

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CORPORATE INFORMATION

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

DIRECTORS' REPORT

On behalf of the Board of Directors of LSE Capital Limited we are pleased to present first quarterly report of Modaraba Al-Mali together with un-audited accounts for 1st quarter of Financial 2023-2024.

Modaraba is multipurpose for indefinite period can revamp and reposition itself into emerging fields and can create value to the certificate-holders.

Performance Review:

During the quarter under review your Modaraba has incurred net loss after tax of Rs 29.27 M as compared to net profit of Rs 57.26 M during the corresponding period last year. Major components of revenue were dividend Administrative and operative expenses for the quarter were Rs 2.20 M as compared to Rs 23.45 M in the corresponding quarter last year.

Despite these challenging times the management of your Modaraba continued to remain vigilant and managed investment activities prudently for better returns.

Future Prospects:

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

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Dated: October 30, 2023

Lahore

Siddique-ur Rehman Khurram
Chief Executive Officer

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2023

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
-----Rupees-----			
ASSETS			
Non-current assets			
Property and equipment	5	4,330,616	4,405,622
Long-term investments	6	<u>1,293,425,214</u>	<u>1,259,724,433</u>
		1,297,755,830	1,264,130,055
Current assets			
Tax refunds due from government		11,054,352	11,032,683
Diminishing musharaka		191,971	227,069
Ijarah finance	7	3,755,007	3,755,007
Advances, deposits, prepayments, other assets and receivables	8	70,461,757	17,657,692
Investments		128,260,046	153,581,521
Cash and bank balances	9	4,201,535	17,578,812
		-	-
		<u>217,924,668</u>	<u>203,832,784</u>
Total assets		<u>1,515,680,498</u>	<u>1,467,962,839</u>
Non-current liabilities			
Deferred tax liabilities		<u>48,719,568</u>	<u>48,719,568</u>
		48,719,568	48,719,568
LIABILITIES			
Current liabilities			
Musharaka Finance		-	50,000,000
Short term Musharaka Finance		-	3,854,366
Creditors, accrued and other liabilities	10	243,187,748	236,036,565
Security deposits		3,762,138	3,762,138
Unclaimed profit distribution		10,358,639	10,358,639
		<u>257,308,525</u>	<u>304,011,708</u>
Total liabilities		<u>306,028,093</u>	<u>352,731,276</u>
NET ASSETS		<u>1,209,652,405</u>	<u>1,115,231,563</u>
REPRESENTED BY: CAPITAL AND RESERVES			
Authorised certificate capital		<u>920,000,000</u>	<u>920,000,000</u>
92,000,000 Modaraba certificates of Rs.10 each			
Issued, subscribed and paid-up certificate capital		<u>908,169,150</u>	<u>794,239,450</u>
Certificate subscription money		-	13,058,890
Capital reserves		<u>104,146,686</u>	<u>81,320,896</u>
Revenue reserve		<u>197,336,569</u>	<u>226,612,327</u>
		<u>1,209,652,405</u>	<u>1,115,231,563</u>

CONTINGENCIES AND COMMITMENTS

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The annexed notes form an integral part of this condensed interim financial information.

For LSE Capital Limited
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	September 30, 2023	September 30, 2022
-----Rupees-----			
Income on deposits with Islamic bank		147,462	911,870
Income on diminishing musharaka transactions		4,691	4,236
Gain on disposal of Investment property		-	63,484,087
Rental Income		-	350,000
		<u>152,153</u>	<u>64,750,193</u>
Unrealised (diminution) /appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss-net		(43,097,274)	(12,910,399)
Other Income		5,800,000	37,577,097
Administrative and operating expenses	12	<u>(2,205,626)</u>	<u>(23,455,699)</u>
		<u>(39,350,747)</u>	<u>65,961,192</u>
Share of profit of associates		10,874,989	
Modaraba Management Company's remuneration		-	-
Provision for services sales tax on management company's remuneration		-	(13,142)
Provision for Workers' Welfare Fund	13	-	(1,840,619)
Musharak Finance Cost		-	(2,404,081)
Profit for the quarter before taxation		<u>(28,475,758)</u>	<u>61,703,350</u>
Taxation-Current	14	<u>(800,000)</u>	<u>(4,442,076)</u>
Profit for the quarter after taxation		<u>(29,275,758)</u>	<u>57,261,274</u>
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>(29,275,758)</u>	<u>57,261,274</u>
Earnings per certificate - basic & diluted		<u>(0.314)</u>	<u>0.777</u>

The annexed notes form an integral part of this condensed interim financial information.

For LSE Capital Limited
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	September 30, 2023	September 30, 2022
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the quarter before taxation		(28,475,758)	61,703,350
Adjustments for non-cash charges and other items:			
Depreciation on fixed assets in own use		75,000	51,435
Gain on purchase of investment		-	(5,068,653)
Gain on disposal of own assets		-	(6,559)
Gain on disposal of investment property		-	(63,484,087)
		<u>75,000</u>	<u>(68,507,864)</u>
		(28,400,758)	(6,804,514)
(Increase) / decrease in assets			
Receivable against ijarah rentals and maintenance service		-	-
Advances, deposits, prepayments and other receivable		(32,216,465)	243,158,953
Diminshing Musharaka		35,098	114,007
Inventory		-	-
		<u>(32,181,367)</u>	<u>243,272,960</u>
Increase / (decrease) in current liabilities			
Creditors, accrued and other liabilities		(12,848,817)	115,927,473
Security deposits		-	1,050,000
		<u>(12,848,817)</u>	<u>116,977,473</u>
Cash generated from operations		<u>(73,430,942)</u>	<u>353,445,919</u>
Income taxes paid		(21,669)	(5,052,980)
Net cash (used) / generated from operating activities		<u>(73,452,611)</u>	<u>348,392,939</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
investment purchased during the year		-	(326,402,473)
Proceed from Disposal of Investment property		-	(96,616,000)
Proceed from Disposal of fixed assets		-	27,924
repayment of Musharka		(53,854,366)	(60,000,000)
Proceed from disposal of investment property		-	120,371,637
Net cash generated from investing activities		<u>(53,854,366)</u>	<u>(362,618,912)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of right issue		113,929,700	-
Net (decrease) / increase in cash and cash equivalents		<u>(13,377,277)</u>	<u>(14,225,973)</u>
Cash and cash equivalents at the beginning of the period		17,578,812	19,778,001
Cash and cash equivalents at the end of the period	9	<u>4,201,535</u>	<u>5,552,028</u>

The annexed notes form an integral part of this condensed interim financial information.

For LSE Capital Limited
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Capital reserves				Revenue reserves		Total Reserves	Total equity
	Paid-up certificate capital	Certificates subscription money	Premium on issue of certificates	Statutory reserve	Surplus on revaluation of investment property	Fair Value reserve		
-----Rupees-----								
Balance as at July 01, 2022	794,239,450	-	81,320,896	66,532,230	184,328,041	(39,161,180)	293,019,987	1,087,259,437
Comprehensive Income								
Certificate subscription money received during the year	13,058,890							13,058,890
Fair value reserve on investments measured through FVOCI recycled to accumulated loss on reclassification of investments					36,346,374	-	36,346,374	36,346,374
Fair value reserve on investments measured through FVOCI transferred accumulated loss						-	-	-
Fair value reserve on investments measured through FVOCI transferred accumulated loss on reclassification of investments					(220,674,415)	220,674,415	-	-
Surplus on revaluation on investments				(66,532,230)		66,532,230	-	-
Share of comprehensive loss from associated companies-net						(17,829,467)	(17,829,467)	(17,829,467)
Loss for the period ended June 30, 2023						(3,668,540)	(3,668,540)	(3,668,540)
Other comprehensive (loss) for the year for the year ended June 30, 2023	-	-	-	-	-	64,869	64,869	64,869
Transfer to statutory reserve	-	-	-	-	-	-	-	-
	-	13,058,890	-	-	(66,532,230)	(184,328,041)	265,773,507	14,913,236
Balance as at June 30, 2023	794,239,450	13,058,890	-	81,320,896	-	-	226,612,327	307,933,223
Balance as at July 01, 2023	794,239,450	13,058,890	-	81,320,896	-	-	226,612,327	307,933,223
Comprehensive Income								
Right Issue at Rs.10 per certificate	113,929,700	(13,058,890)						113,929,700
Fair value reserve on investments measured through FVOCI transferred accumulated loss					22,825,790		22,825,790	22,825,790
(Loss) for the quarter ended September 30, 2023	-	-	-	-	-	(29,275,758)	(29,275,758)	(29,275,758)
Balance as at September 30, 2023	908,169,150	-	-	81,320,896	-	22,825,790	197,336,569	301,483,255

Statutory reserve represents profit set aside to comply with the Prudential Regulations for Modarabas issued by the SECP. These regulations require the Modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that reserves equals 100% of the paid up capital. Thereafter, a sum not less than 5% of the after tax profit is to be transferred.

**For LSE Capital Limited
(Modaraba Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 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 being managed by LSE Capital Limited formerly (AssetPlex Limited (the "Management Company"), a company registered under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The name of the Modaraba Management Company had been changed to Assetplex Modaraba Management Limited with effect from May 26, 2023. The Modaraba is listed on the Pakistan Stock Exchange Limited. The registered office of the Modaraba is relocated to 505, 5th Floor, LSE Plaza, Kashmir-Edgerton Road, Lahore, in the province of Punjab (previously situated at 10th floor, Progressive square, Shahrah-e-Faisal, Karachi, in the province of Sindh).

BankIslami Pakistan Limited has disposed off its ownership stake in the management company which has now been acquired by a new group. Upon transfer to the new management, 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.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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 as applicable in Pakistan comprise of:

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

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

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information required for a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2022.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

2.2 Functional and presentation currency

This condensed interim financial information has been presented in Pakistani Rupees, which is the functional and presentational currency of the Modaraba.

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

2.3.1 SECP vide its circular No. 10 of 2004 dated February 13, 2004 had deferred, till further orders, the applicability of International Accounting Standard (IAS) 17 "Leases" on modarabas with effect from July 1, 2003 and advised the management companies of modarabas that they may continue to prepare the financial statements of the modarabas without applying the requirements of IAS 17 to the modarabas. 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.

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:

- Muj'ir (lessor) presents assets subject to Ijarah in 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 recognised as expense.
- Ijarah income is recognised 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 for Ijarah transactions executed on or after July 1, 2008. Accordingly, the Modaraba has accounted for leasing transactions executed before July 01, 2008 as finance leases and has treated the leasing transactions executed on or after July 01, 2008 in accordance with the requirements of IFAS 2.

3 CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

3.1 The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Modaraba for the year ended June 30, 2023.

3.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Modaraba's accounting periods beginning on or after June 1, 2021 but are considered not to be

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

relevant or do not have any significant effect on the Modaraba's operations and are therefore not detailed in this condensed interim financial information.

- 3.3** The preparation of this condensed interim financial information 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. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.4** The significant judgments made by the management in applying the Modaraba's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the annual published financial statements for the year ended June 30, 2022.

4 RISK MANAGEMENT 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 PROPERTY AND EQUIPMENT

Property and equipment - in own use

	Unaudited September 30, 2023	Audited June 30, 2023
-----Rupees-----		

	4,330,616	4,405,622
	4,330,616	4,405,622

- 5.1** Following additions and disposals, at cost, were made during the period

	Additions		Disposals	
	Unaudited September 30, 2023	Audited June 30, 2023	Unaudited September 30, 2023	Audited June 30, 2023
	-----Rupees-----			
Office premises	-	-		2,200,000
Building Fuel Station	-	-	-	
Vehicles	-	4,019,962	-	42,500
Furniture and fixtures	-	5,574,102	-	7,147,740
Office and computer equipment	-	5,311,878	-	8,792,049
	-	14,905,942	-	18,182,289

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	(Un-audited)	(Audited)
7	Note September 30, 2023	June 30, 2023
-----Rupees-----		
Ijarah contracts commencing up to June 30, 2008		
- accounted for as finance leases		
Minimum lease payments due	40,480,939	40,480,939
Residual value of leased assets	3,755,007	3,755,007
Total receivable	<u>44,235,946</u>	<u>44,235,946</u>
Suspended lease income	(7,491,364)	(7,491,364)
Provision for Impairment against potential lease losses	7.0 (32,989,575)	(32,989,575)
	<u>(40,480,939)</u>	<u>(40,480,939)</u>
	<u>3,755,007</u>	<u>3,755,007</u>
7.1 These ijarah finances are fully provided and the remaining amount represents amount of security deposits to be adjusted at the time of final settlement.		
	(Un-audited)	(Audited)
8	Note September 30, 2023	June 30, 2023
-----Rupees-----		
8 ADVANCES, DEPOSITS, PREPAYMENTS, OTHER ASSETS AND RECEIVABLES		
Considered Good		
Advances		
- to broker	3,000,000	-
	<u>3,000,000</u>	<u>-</u>
Receivable-Corporate entities		
Ensmile (Pvt) Limited	15,751,858	15,751,858
	-	-
Advance against purchase of LSE shares		
Advance against purchase of Metatech shares		
Dividend receivable	-	-
Prepayments	50,207,696	381,279
Defined benefit plan - staff gratuity	1,268,785	1,268,785
- Others	233,418	255,770
	<u>70,461,757</u>	<u>17,657,692</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
9 CASH AND BANK BALANCES		
Balances with banks in:		
- profit and loss sharing accounts	9.1 4,026,475	1,255,038
- current accounts	170,148	16,318,862
	4,196,623	17,573,900
Balances with State Bank of Pakistan	4,912	4,912
	<u>4,201,535</u>	<u>17,578,812</u>
9.1 These accounts carry profit at rates ranging from 1.95% to 9.68% (June 30, 2023: 1.95% to 8.68%) per annum.		
10 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Management Fee Payable	-	12,299,540
Accrued liabilities	3,212,716	2,759,037
Payable to provincial government	1,247,338	1,247,338
Payable to Broker	205,945,836	205,945,836
Profit Payable on musharaka certificate	6,811,644	6,811,644
Payable to gratuity fund	231,411	231,411
Payable to management company	1,300,000	-
Ijarah rental received in advance	29,381	29,381
Charity and donation	69,019	68,612
Others	4,340,403	6,643,766
	<u>223,187,748</u>	<u>236,036,565</u>
11 CONTINGENCIES AND COMMITMENTS		
The status of contingencies is same as stated in the financial statements of the Modaraba for the year ended June 30, 2023.		

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
Note	-----Rupees-----	
12 ADMINISTRATIVE AND OPERATING EXPENSES		
Salaries, allowances and other benefits	47,244	5,099,298
Rent, rates and taxes	-	81,814
Depreciation	75,000	51,435
Fuel and conveyance	86,173	82,704
Repairs and maintenance	15,000	2,822,757
Legal and professional	405,255	8,305,186
Travelling	-	267,259
Electricity	-	-
Telephone	-	6,000
Entertainment	347,440	24,441
Insurance	-	23,859
Printing and stationery	122,043	149,969
Auditors' remuneration	240,645	706,245
Subscription	385,157	121,399
Registrar services	304,309	95,600
Postage	31,872	33,855
Advertisement	75,900	600,900
Others	69,588	4,982,978
	2,205,626	23,455,699

13 WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) due to which the Modaraba became liable to pay contribution to the Workers' Welfare Fund (WWF) at the rate of 2% on the higher of the profit before taxation as per the accounts or the return of income.

14 TAXATION

14.1 As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. Through the Tax Laws (Second) Amendment Ordinance 2001, the government omitted clause 100 part 1 of the Second Schedule to the Income Tax Ordinance, 2001. As a result of omission of this clause, the tax exemption previously available to the Modaraba upon distribution of 90% of its profits to its certificate holders after making appropriation for statutory reserves is longer available.

15 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

The remuneration of key management employees (executives) are determined in accordance with their terms of appointment. Contribution to the provident and gratuity funds are made in accordance with the services rules and actuarial advise respectively. Modaraba management fee payable in accordance with the provision of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. Other transactions are in accordance with the agreed terms.

15.1 Details of transactions with related parties during the quarter are as follows:

	(Un-audited) Quarter ended	
	September 30, 2023	September 30, 2022
	-----Rupees-----	
BankIslami Pakistan Limited (Ex-Holding company of the management company)		
Profit on Islamic profit and loss sharing account	-	-
Rental income	-	-
Other transactions		
Contributions to staff provident fund	-	60,312
Contributions to employees gratuity fund	-	1,764

14.2 Details of balances with related parties as at period / year end are as follows:

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	-----Rupees-----	
Payable towards	-	99,078,102
Management Fee Payable	-	12,299,540
Receivable against Retainership Fee	113,299	423,616
Service salex tax on management fees	-	1,260,480

15 GENERAL

The figures in this condensed interim financial information have been rounded off to the nearest Rupee.

16 DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue by the Board of Directors of the Modaraba Management Company on October 30, 2023.

For LSE Capital Limited
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

ISLAMABAD

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Jinnah Avenue

LAHORE

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KARACHI

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