

Modaraba Al-Mali

Managed by:

AssetPlex Limited

(Formerly BankIslamic Pakistan Limited)



AssetPlex Limited

(Formerly BankIslamic Pakistan Limited)

**For the nine months period ended
March 31, 2022
(Un-audited)**

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CORPORATE INFORMATION

Board of Directors	Mr. Abdul Qadir Memon Mr. Usman Hassan	Chairman Resigned w.e.f April 25, 2022 Chairman
	Mr. Attique Ahmed Khan Mr. Aftab Ahmed Chaudhry Mr. Siddique-ur-Rehman Khuram Ms. Aasiya Riaz Mr. Hussain Ahmed Ozgen Ms. Huma Ejaz Mr. Muhammad Usman Mr. Hafiz Mudassir Aalam Mr. Rashid Matin Khan	Director Resigned w.e.f April 13, 2022 Director/ Chief Executive Resigned w.e.f April 25, 2022 Director / C.E.O Appointed w.e.f April 25, 2022 Subject to SECP Approval Director Director Director Resigned w.e.f April 25, 2022 Director Appointed w.e.f April 25, 2022 Subject to SECP Approval Director Appointed w.e.f April 25, 2022 Subject to SECP Approval Director Appointed w.e.f April 25, 2022 Subject to SECP Approval
Audit Committee	Ms. Huma Ejaz Ms. Aasiya Riaz Mr. Usman Hassan	Chairman Resigned w.e.f April 25, 2022 Member Member
HR & Remuneration Committee	Mr. Hussain Ahmed Ozgen Ms. Huma Ejaz	Chairman Member Resigned w.e.f April 25, 2022
Risk Committee	Mr. Usman Hassan Mr. Hussain Ahmed Ozgen Ms. Huma Ejaz	Chairman Member Member Resigned w.e.f April 25, 2022
Nomination Committee	Mr. Abdul Qadir Memon Ms. Aftab Ahmed Chaudhry	Chairman Member Resigned w.e.f April 25, 2022
Management Team	Mr. Aftab Ahmed Chaudhry Mr. Siddique-ur-Rehman Khuram Mr. Rashid Matin Khan	Chief Executive Resigned w.e.f April 25, 2022 C.E.O Appointed w.e.f April 25, 2022 Subject to SECP Approval CFO / Company Secretary
Auditors	KPMG Taseer Hadi & 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 Duabi Islamic Bank Limited Meezan Bank Limited	
Registrar & Share Registration Office	F.D Registrar Services (Pvt.) Limited Saima Trade Tower A 17th Floor I.I.Chundrigar Road Karachi	
Registered Office	10th Floor, Progressive Square Opposite Nursery, Shakra-e- Faisal, Karachi Phone: 4547521-5 Fax: 4547526 E-mail: info@modarabaalmali.com URL:http://www.modarabaalmali.com	

Modaraba Al-Mali

DIRECTORS' REPORT

Board of Directors of Assetplex Limited, the Management 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, 2022. Operational Performance:

Financial Results	March 31, 2022	March 31, 2021
	(Rupees)	
Net Revenue	10,429	12,026
Other Income	73,105	5,764
Net Profit	24,624	7,756
Profit/(Loss) per Certificate	0.78	0.40
Transfer to Statutory Reserve	Nil	Nil
Book Value per Certificate	<u>11.30</u>	<u>14.64</u>

- Profit on Term deposits has been increased due to Right Issue Proceeds;
- Expenses have increased on account of legal and professional charges related to the right issue;
- Higher taxation charged during the period under review;

Financial & Business Plan

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.

Board of Directors of Modaraba had announced 331% Right Issue in their Meeting held on September 13, 2021. Procedure related to rights proceeds (along with allocation of unsubscribed portion of Right Issue) of Rs. 610.00 million was completed on January 31, 2022.

As announced earlier, the Board authorized the CEO of MODAM to pursue and conclude the modalities of the merger of MODAM with/into LSE Financial Services Limited (to be renamed as LSE Ventures) including the swap ratio etc., and take steps to seek the requisite corporate, regulatory and court approvals in this regard; and the Board has also approved the nominations for the management team to be installed/placed at LSE Financial Services Limited, for providing the necessary strategic impetus for the turn-around of the investee company.

Dividend

Board of directors of Assetplex Limited (formerly BankIslami Modaraba Investments Limited) a Management Company of Modaraba Al-Mali in their meeting held on October 04, 2021 has declared a Final Cash Dividend for the year ended June 30, 2021 at Rs. 0.37 per certificate i.e. 3.7%. The Above entitlement are paid to the Certificate Holders whose name appeared in the Modaraba Certificate Register on October 21, 2021.

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

Usman Hassan
Director

April 27, 2022
Lahore:

Modaraba Al-Mali

CONDENSED INTERIM BALANCE SHEET

As at March 31, 2022

	Note	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
----- (Rupees) -----			
ASSETS			
Current assets			
Cash and bank balances		102,544,945	53,350,982
Ijarah finance		3,755,007	3,755,007
Current portion of Diminishing Musharaka	5	1,135,661	3,855,624
Receivable against Ijarah Rentals & Other Receivables	6	8,400,000	-
Investments	7	92,831,094	1,364,300
Advances, deposits, prepayments, other assets and receivables	8	79,893,914	32,540,982
Taxation - net	9	27,950,276	27,359,468
Inventory		1,789,548	2,280,388
		318,300,445	124,506,751
Assets held for sale	10	204,286,564	-
		522,587,009	124,506,751
Non-current assets			
Long-term portion of Diminishing Musharaka	5	172,784	334,552
Investment property	11	-	96,616,000
Long term Investments	12	425,881,454	-
Property and equipment	13	4,502,969	67,934,637
		430,557,207	164,885,189
TOTAL ASSETS		953,144,216	289,391,940
LIABILITIES			
Current liabilities			
Creditors, accrued and other liabilities	14	39,425,223	6,223,746
Current portion of security deposits		3,762,138	3,762,138
Unclaimed profit distribution		10,359,580	9,649,240
Current portion of lease liability		866,425	-
		54,413,366	19,635,124
Liabilities directly associated with the assets held for sale	10	130,000	-
		54,543,366	19,635,124
Non-current liabilities			
Security deposits		-	115,000
Lease Liability		1,151,228	-
Total liabilities		55,694,594	19,750,124
NET ASSETS		897,449,622	269,641,816
REPRESENTED BY:			
CAPITAL AND RESERVES			
Authorised certificate capital 80,000,000 (June 30, 2021: 30,000,000) Modaraba certificates of Rs.10 each	15	800,000,000	300,000,000
Issued, subscribed and paid-up certificate capital	15	794,239,450	184,239,450
Capital reserves		140,686,223	140,686,223
Revenue reserves		(37,476,051)	(55,283,857)
		897,449,622	269,641,816
CONTINGENCIES AND COMMITMENTS			
	16		

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

For AssetPlex Limited
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

Modaraba Al-Mali

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)

For the nine months period ended March 31, 2022

	Note	Nine months period ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(Rupees)					
Income on diminishing musharaka transactions		194,551	856,540	45,674	211,447
Income from operation of fuel station	17	8,416,258	7,876,210	3,143,530	2,765,412
Profit on term deposits		-	2,894,098	-	967,683
Income on deposits with bank		1,819,077	399,985	1,492,039	115,903
		<u>10,429,886</u>	<u>12,026,833</u>	<u>4,681,243</u>	<u>4,060,445</u>
Expenses on fuel station operations	17	(4,685,490)	(4,246,156)	(1,423,037)	(1,366,704)
Realised and Unrealised appreciation / diminution on investments classified as financial assets at fair value through profit or loss-net		12,877,373	-	2,630,783	-
		<u>18,621,769</u>	<u>7,780,677</u>	<u>5,888,989</u>	<u>2,693,741</u>
Surplus on revaluation of land		40,000,000	-	40,000,000	-
Other income	18	20,228,933	5,764,239	13,677,728	1,921,413
Administrative and operating expenses	19	(51,600,831)	(5,021,643)	(37,305,233)	(1,612,010)
		<u>27,249,871</u>	<u>8,523,273</u>	<u>22,261,484</u>	<u>3,003,144</u>
Modaraba Management Company's remuneration	14.1	-	-	-	-
Provision for services sales tax on management company's remuneration	14.1	(3,815)	(1,193)	(3,167)	(773)
Provision for workers' welfare fund	20	(534,311)	(167,123)	(436,500)	(58,885)
Profit / (loss) for the period before taxation		<u>26,711,745</u>	<u>8,354,957</u>	<u>21,821,817</u>	<u>2,943,486</u>
Taxation	21	2,087,078	598,118	(2,746,212)	192,785
Profit / (loss) for the period after taxation		<u>24,624,666</u>	<u>7,756,839</u>	<u>24,568,029</u>	<u>2,750,701</u>
Other comprehensive income for the period		-	-	-	-
Total comprehensive income / (loss) for the period		<u><u>24,624,666</u></u>	<u><u>7,756,839</u></u>	<u><u>24,568,029</u></u>	<u><u>2,750,701</u></u>
Weighted Average EPS	22	<u><u>0.78</u></u>	<u><u>0.40</u></u>	<u><u>0.78</u></u>	<u><u>0.14</u></u>

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

For AssetPlex Limited
(Modaraba Management Company)
(Formerly BankIslamic Pakistan Limited)

Chief Financial Officer

Chief Executive Officer

Director

Director

Modaraba Al-Mali

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the nine months period ended March 31, 2022

	March 31, 2022	March 31, 2021
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	26,711,745	8,354,957
Adjustments for non-cash charges and other items:		
Finance cost on right of use asset (ROUA)	15,617	-
Surplus on revaluation of land	(40,000,000)	
Depreciation on fixed assets in own use	692,403	384,907
	(39,291,980)	384,907
	(12,580,235)	8,739,864
<i>(Increase) / decrease in current assets</i>		
Receivable against Ijarah rentals and maintenance service	(8,400,000)	12,647,513
Advances, deposits, prepayments and other receivable	(47,352,932)	(1,185,696)
Inventory	490,840	(1,147,205)
	(55,262,092)	10,314,612
<i>Increase / (decrease) in current liabilities</i>		
Creditors, accrued and other liabilities	33,201,477	(2,033,160)
Security deposits	15,000	(4,064,000)
	33,216,477	(6,097,160)
Cash (used in) / generated from operations	(34,625,850)	12,957,316
Income taxes refunded / (paid)	(2,677,886)	1,837,731
Net cash (used in) / generated from operating activities	(37,303,736)	14,795,047
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of assets under Ijarah arrangements	-	4,064,006
Purchase of Office premises	(2,200,000)	-
Purchase of Office equipment	(121,000)	-
Purchase of long term investments	(425,881,454)	-
Purchase of short term investments	(91,466,794)	-
Diminishing musharaka finances	2,882,090	5,722,045
Net cash generated from / (used in) investing activities	(516,787,158)	9,786,051
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability	(608,263)	-
Receipt of right issue subscription	610,000,000	-
Profit paid to certificate holders	(6,106,880)	(11,616,900)
Net cash (used in) / generated from financing activities	603,284,857	(11,616,900)
Net increase in cash and cash equivalents	49,193,963	12,964,198
Cash and cash equivalents at beginning of the period	53,350,982	64,479,573
Cash and cash equivalents at end of the period	102,544,945	77,443,771

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

For AssetPlex Limited
(Modaraba Management Company)
(Formerly BankIslamic Pakistan Limited)

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 ended March 31, 2022

	Paid-up certificate capital	Capital reserves		Revenue reserves	Total reserves	Total	
		Premium on issue of certificates	Statutory reserve	Surplus on revaluation of Investment Property			Accumulated loss
(Rupees)							
Balance as at July 01, 2020	184,239,450	511,409	66,885,417	66,532,230	(69,408,837)	64,520,219	248,759,669
Final cash dividend of Re. 0.70 per certificate for the year ended June 30, 2020	-	-	-	-	(12,896,762)	(12,896,762)	(12,896,762)
Total comprehensive income for the nine months period ended March 31, 2021	-	-	-	-	7,756,839	7,756,839	7,756,839
Balance as at March 31, 2021	184,239,450	511,409	66,885,417	66,532,230	(74,548,760)	59,380,296	243,619,746
Total comprehensive income for the three months period ended June 30, 2021	-	-	-	-	26,028,998	26,028,998	26,028,998
Other comprehensive loss for the year ended June 30, 2021	-	-	-	-	(6,928)	(6,928)	(6,928)
Transfer to statutory reserve	-	-	6,757,167	-	(6,757,167)	-	-
Balance as at July 01, 2021	184,239,450	511,409	73,642,584	66,532,230	(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, 2021	-	-	-	-	(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 March 31, 2022	794,239,450	511,409	73,642,584	66,532,230	(37,476,051)	103,210,172	897,449,622

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

**For AssetPlex Limited
(Modaraba Management Company)
(Formerly BankIslamic Pakistan Limited)**

Chief Financial Officer

Chief Executive Officer

Director

Director

Modaraba Al-Mali

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the nine months period ended March 31, 2022

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). The Modaraba had been managed as a wholly owned subsidiary of BankIslami Pakistan Limited, which had disposed off its ownership stake in the management company to a new group under the name of AssetPlex Limited (the "Management Company"), during May 2021. The registered office of the management company is situated at 505, 5th Floor, LES Plaza, Khayaban-e Aiwan-e-Iqbal, Lahore, in the province of Punjab.

The Modaraba had earlier been engaged in the business of Leasing / Ijarah, Murabaha, Musharaka Financing and operation of petrol and diesel filling / service station. Upon transfer to the new Management Company, the Modaraba's focus has been changed to undertaking trading, Islamic venture capital, private equity and corporate & financial restructuring / rehabilitation transactions of potentially viable companies through resource mobilization and entrepreneurial involvement.

Pakistan Credit Rating Agency (PACRA) has maintained long term entity rating of BBB+ and short term rating of A2 from March 22, 2022, for the Modaraba.

1.1 Impact of COVID-19

On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. Many governments are still taking stringent steps to help contain the spread of the virus, including vaccination campaigns, requiring self-isolation / quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities / regions or even entire countries. During the period, the provincial government imposed complete lockdown only in Sindh amid increasing COVID-19 cases in early July. Further, subsequent to period end, African variant of COVID 19 (named 'Omicron') has affected the country adversely. Consequently, this would lead to uncertainties in terms of increase in number of cases due to which Sindh government and National Command Operation Center (NCOC) has imposed micro lockdown in highly affected areas which could affect the overall operations and the business in future requiring close monitoring by the management as it is an alarming situation for overall economy of Pakistan. The management of the Modaraba is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders. The Management of the Modaraba expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that would be no significant impact that will adversely affect the operations and financial position of the Modaraba in future periods.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', 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) as notified under the Companies Act, 2017;
- Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and repealed Prudential Regulations for Modarabas now Modaraba Regulation, 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.

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 Regulation, 2021 and IFASs differ with the requirements of IFRS, 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 Regulation, 2021 and IFASs have been followed.

2.1.2 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, 2021.

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'

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 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 upto 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.

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:

- Mujir (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 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 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.

3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

3.1 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, 2021 except for change as disclosed in Note 3.2.1 and Note 3.2.2 to the condensed interim financial statements.

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

3.2.1 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair values less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefits assets, investment property or biological assets, which continue to be measured in accordance with the Modaraba's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gain and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated and any equity accounted investee is no longer equity accounted.

3.2.2 Current tax

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior periods which arises from assessments / developments made during the period, if any.

Deferred tax

Deferred tax is recognised using balance sheet method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

Modaraba Al-Mali

The Modaraba recognises deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

- 3.2.3 There are certain other standards, amendments and interpretations that are mandatory for the Modaraba's accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or do not have any significant effect on the Modaraba's operations and are, therefore, not detailed in these condensed interim financial statements.
- 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new and amended standards, interpretations and amendments that are mandatory for the Modaraba's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or do not have any significant effect on the Modaraba's operations and are therefore not detailed in these condensed interim financial statements.

3.4 Use of estimates and judgements

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. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

- 3.5 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 audited financial statements for the year ended June 30, 2021.

4 FINANCIAL RISK MANAGEMENT

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements as at and for the year ended June 30, 2021.

5 DIMINISHING MUSHARAKA

	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
	----- (Rupees) -----	
Musharaka finance	1,308,445	4,190,176
Less: Current portion of diminishing musharaka	<u>(1,135,661)</u>	<u>(3,855,624)</u>
Long-term portion of diminishing musharaka	<u>172,784</u>	<u>334,552</u>

Modaraba Al-Mali

	<i>Note</i>	March 31, 2022	June 30, 2021
		(Un-audited)	(Audited)
		----- (Rupees) -----	
6 RECEIVABLE AGAINST IJARAH RENTALS AND MAINTENANCE SERVICES & OTHER RECEIVABLE			
Considered good			
- Dividend Receivable	6.1	8,400,000	-
Considered doubtful			
- Maintenance fee and allied equipments	6.2	4,275,537	4,275,537
		<u>10,194,320</u>	<u>10,194,320</u>
		<u>14,469,857</u>	<u>14,469,857</u>
Less: Provision against potential Ijarah losses		<u>(14,469,857)</u>	<u>(14,469,857)</u>
		<u><u>8,400,000</u></u>	<u><u>-</u></u>
6.1 This represents the dividend income receivable from PGP Consortium Limited against its preference shares held by the Modaraba.			
6.2 This relates to discontinued operations.			
7 INVESTMENTS		March 31, 2022	June 30, 2021
		(Un-audited)	(Audited)
		----- (Rupees) -----	
At fair value through profit or loss			
Investments in equity securities		<u>92,831,094</u>	<u>1,364,300</u>

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8 ADVANCES, DEPOSITS, PREPAYMENTS, OTHER ASSETS AND RECEIVABLES

	Note	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
(Rupees)			
Considered good			
Advances			
- to suppliers		-	863,360
- to broker		-	7,160,037
- to others for shell companies		40,897,744	-
Advance against IPO investments		-	21,236,000
Receivable from Oil Boy Energy Limited		32,922,679	-
Prepayments		684,588	495,255
Defined benefit plan - staff gratuity		1,333,640	1,333,640
Other deposits		40,899	40,899
Rent receivable		-	414,734
Profit receivable		53,042	405,004
Dividend receivable		2,010,000	-
Other receivables		1,511,322	236,053
Other asset	8.1	350,000	350,000
		79,893,914	32,540,982
Considered doubtful			
Other receivables			
- Terminated leases		6,242,260	6,242,260
- Miscellaneous amount recoverable		1,188,872	1,188,872
- Dividend receivable		16,275	16,275
- Receivable from brokers		22,422	22,422
- Receivable against sale of fuel		355,102	355,102
- Others		228,732	228,732
		8,053,663	8,053,663
Provision for impairment loss against doubtful receivables		(8,053,663)	(8,053,663)
		79,893,914	32,540,982

8.1 This amount represents scrap value of towers and allied equipments.

9 TAXATION - NET

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. During the year 2021, an Ordinance was passed on March 24, 2021 to amend certain provisions of tax laws. The amendments included omission of clause 100 of 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 ninety percent of the profit for the year as reduced by the amount transferred to the statutory reserve is no longer available. Keeping in view the legal opinion obtained by the Modaraba Association of Pakistan, this withdrawal of exemption is effective from July 1, 2021. Accordingly, no tax was required to be paid by the Modaraba till June 30, 2021 and the entire amount has been recorded as recoverable till that date. As the income of the Modaraba is

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chargeable to tax with effect from July 1, 2021 the management has adjusted the amount of tax recoverable with the amount of future tax liability. The Modaraba has filed application for refund for each tax year in which withholding tax have been deducted.

10 DISPOSAL GROUP/ ASSETS HELD FOR SALE

In October 2021, the management had announced the plan to dispose of Modaraba's properties represented by the gas station and leasehold offices / premises (assets) in Karachi. Accordingly, this disposal group / asset is presented as held for sale in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Efforts to sell the disposal group / asset have started and a sale is expected within the current financial year.

As at 31 March 2022, the details of disposal group / assets are as follows:

	<i>Note</i>	March 31, 2022
Disposal group held for sale		
Lease hold land for fuel station	13	103,848,000
Building - fuel station	13	3,822,564
Security deposit		(130,000)
Assets held for sale		
Investment property	11	96,616,000
Office premises - lease hold	13	-
		<u><u>204,156,564</u></u>

11 INVESTMENT PROPERTY

	<i>Note</i>	March 31, 2022	June 30, 2021
		(Un-audited)	(Audited)
		----- (Rupees) -----	
Carrying amount - opening		96,616,000	72,090,400
Net gain from fair value adjustment		-	24,525,600
Reclassification of asset held for sale	10	<u>(96,616,000)</u>	-
Carrying amount - closing	15.1 & 15.2	<u><u>-</u></u>	<u><u>96,616,000</u></u>

11.1 The leasehold office premises (investment property) of the Modaraba were valued by an independent valuer Harvester Services (Private) Limited, as at June 30, 2021, on the basis of professional assessment of the market values.

12 LONG TERM INVESTMENTS

	<i>Note</i>	March 31, 2022	June 30, 2021
		(Un-audited)	(Audited)
		----- (Rupees) -----	
Investment in LSE Financial Services Limited	12.1	118,381,454	-
Advance against purchase of LSE Financial Services Limited Shares		27,500,000	-
Investment in PGP Consortium Limited	12.2	<u>280,000,000</u>	-
		<u><u>425,881,454</u></u>	<u><u>-</u></u>

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11.2 Forced sale value of the investment property was assessed at Rs. 82.124 million as at June 30, 2021.

12.1 This represents the 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. 24.33/-, calculated with reference to the net assets of the LSE Financial Services Limited on the basis of audited financial statements for the year ended 30 June 2021 audited by Kreston Hyder Bhimji & Company Chartered Accountants.

12.2 PGP Consortium Limited (PGP) owns and operates Pakistan's largest LNG regasification and storage terminal at Port Qasim. The investment in the preference shares of PGP, an unquoted Company, has been made with the intention of the potential value gains from the conversion of preference years into the common equity of the company upon listing. The net asset value of the investment per share is Rs. 46.13/-, which has been calculated with reference to net assets of the PGP on the basis of audited financial statements for the year ended 30 June 2021 audited by A. F. Ferguson & Company Chartered Accountants.

13 PROPERTY AND EQUIPMENT	<i>Note</i>	March 31, 2022	June 30, 2021
		(Un-audited)	(Audited)
		----- (Rupees) -----	
Property and equipment - own use	13.1	4,502,969	67,934,637

13.1 Property and equipment - own use

	March 31, 2022 (Un-audited)								
	Lease hold land - fuel station	Right of Use Asset	Building - fuel station	Office premises - lease hold	Vehicles	Furniture and fixtures	Office Equipment	Computers	Total
	----- (Rupees) -----								
At July 01, 2021									
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)
Net book value	63,848,000	-	3,962,556	-	7,808	103,898	12,375	-	67,934,637
Additions	-	2,602,036	-	2,200,000	-	-	121,000	-	4,923,036
Disposals/transfers									
Cost	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Depreciation charge for the period	-	(505,949)	(139,992)	-	(4,958)	(21,794)	(11,440)	-	(684,133)
Reclassification of assets held for sale									
Cost	63,848,000	-	8,399,474	963,178	-	-	-	-	73,210,652
Depreciation	-	-	(4,576,910)	(963,178)	-	-	-	-	(5,540,088)
	63,848,000	-	3,822,564	-	-	-	-	-	67,670,564
Closing net book value	-	2,096,087	-	2,200,000	2,850	82,104	121,935	-	4,502,976
At March 31, 2022									
Cost	-	2,602,036	-	2,200,000	42,500	2,004,827	3,517,074	2,388,488	12,754,925
Accumulated depreciation	-	(505,949)	-	-	(39,650)	(1,922,723)	(3,395,139)	(2,388,488)	(8,251,949)
Net book value	-	2,096,087	-	2,200,000	2,850	82,104	121,935	-	4,502,976
Life (Years)	-	3	20	20	5	10	2 to 5	3	

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	June 30, 2021 (Audited)								
	Lease hold land - fuel station	Right of Use Asset	Building - fuel station	Office premises - lease hold	Vehicles	Furniture and fixtures	Office Equipment	Computers	Total
	(Rupees)								
At July 01, 2020									
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	-	-	(4,016,942)	(963,178)	(26,196)	(1,860,850)	(3,342,228)	(2,388,488)	(12,597,882)
Net book value	63,848,000	-	4,382,532	-	16,304	143,977	53,846	-	68,444,659
Additions	-	-	-	-	-	-	-	-	-
Disposals/transfers									
Cost	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Depreciation charge for the period	-	-	(419,976)	-	(8,496)	(40,079)	(41,471)	-	(510,022)
Closing net book value	63,848,000	-	3,962,556	-	7,808	103,898	12,375	-	67,934,637
At June 30, 2021									
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)
Net book value	63,848,000	-	3,962,556	-	7,808	103,898	12,375	-	67,934,637
Life (Years)	-	-	20	20	5	10	2 to 5	3	

14 CREDITORS, ACCRUED AND OTHER LIABILITIES

	Note	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
		(Rupees)	
Accrued liabilities		5,084,083	5,067,882
Charity and donation		66,629	65,456
Payable to provincial government	14.1	10,230	12,575
Payable to AssetPlex Modaraba Management		271,917	-
Payable to Oilboy Energy Limited		3,882,440	-
Payable to Broker		1,847,709	-
Receivable token money against sale of property		26,373,000	-
Others		1,765,969	954,587
Ijarah rental received in advance		123,246	123,246
		39,425,223	6,223,746

14.1 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. This remuneration will be charged in the final accounts of FY 2021-22.

No provision for the same has been made in these condensed interim financial statements. However, the Modaraba has accrued Sindh Services Sales Tax on a notional amount of management fees calculated at 0.1% of the net profit for the period.

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15 AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
	----- (Rupees) -----	
15.1 Authorised certificate capital		
Authorised certificate capital 80,000,000 (June 30, 2021: 30,000,000) Modaraba certificates of Rs.10 each	800,000,000	300,000,000
	<u>800,000,000</u>	<u>300,000,000</u>
15.2 Issued, subscribed and paid-up certificate capital		
Modaraba Certificates of Rs. 10 each fully paid in cash	135,690,000	135,690,000
Modaraba Certificates of Rs. 10 each issued as fully paid bonus certificates	46,884,000	46,884,000
Modaraba Certificates of Rs. 10 each issued on merger	1,665,450	1,665,450
Modaraba Certificates of Rs. 10 each issued as fully paid right issue certificates	610,000,000	-
	<u>794,239,450</u>	<u>184,239,450</u>

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There were no contingencies as at March 31, 2022 and June 30, 2021 other than as explained below:

The Additional Commissioner of Income Tax (ACIT) amended the assessment for the tax year 2007, dismissing the exemption claimed by the Modaraba on the contention of non distribution of profit as per the provisions of the respective tax laws and created tax demand of Rs. 1.93 million. The Modaraba filed an appeal against the said order with the Commissioner of Income Tax (CIT) who in his order maintained the treatment of ACIT. The second appeal filed against the said order with the Appellate Tribunal Inland Revenue (the Tribunal) was also decided against the Modaraba. The Modaraba filed an application with the Tribunal for a review, which has also been decided against the Modaraba during the year ended June 30, 2017. The Modaraba has filed a second review application with the Tribunal and a reference in the High Court of Sindh. As at December 31, 2021 the application is pending for hearing before the High Court of Sindh. The management based on the advice of its legal counsel is hopeful for a favorable outcome and therefore, no provision has been made in these condensed interim financial statements.

16.2 Commitments

There were no commitments outstanding as at March 31, 2022 and June 30, 2021.

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17 PROFIT FROM OPERATIONS OF FUEL STATION

	Note	Nine months period ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(Un-audited)					
(Rupees)					
Income					
Sale of fuel	17.1	240,583,761	177,281,782	86,139,768	59,495,632
Cost of sales		(233,556,503)	(170,718,972)	(83,463,238)	(57,182,720)
		7,027,258	6,562,810	2,676,530	2,312,912
Rental income	17.2	1,389,000	1,313,400	467,000	452,500
		8,416,258	7,876,210	3,143,530	2,765,412
Expenses					
Salaries and allowances		2,234,223	2,056,190	748,096	681,787
Generator fuel		143,067	130,290	56,892	60,960
Depreciation		141,144	324,202	-	105,846
Electricity		281,731	259,682	109,906	65,420
Repairs and maintenance		930,862	523,672	189,046	171,642
Printing and stationery		25,389	16,641	6,187	6,642
Security guards		434,800	510,300	150,000	138,600
Insurance		65,502	86,646	21,834	31,685
Telephone		19,017	19,888	6,651	6,202
Rent, rates & taxes		188,848	187,389	67,893	62,463
Miscellaneous		220,907	131,256	66,532	35,457
		4,685,490	4,246,156	1,423,037	1,366,704
		3,730,768	3,630,054	1,720,493	1,398,708

17.1 Income relates to the operation of petrol and diesel filling / service station which was started from October 03, 2010 under a retailer agreement with an oil marketing company (the Company). In accordance with the agreement, the Company has granted the right to the Modaraba to operate the fuel station and deal exclusively in petroleum products of the Company on a predetermined margin.

17.2 The amount represents rent earned in respect of the plot of land used for fuel station under a lease deed dated August 13, 2009 with the Company. Initial term of the rent agreement is for fifteen years. The amount also includes rental income earned from operation of tuck shop and car wash facility.

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	Nine months period ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Un-audited)			
	(Rupees)			
18 OTHER INCOME				
Rental Income	6,342,662	5,764,239	2,115,554	1,921,413
Dividend Income	5,486,271	-	3,164,174	-
Accrued Dividend	8,400,000	-	8,400,000	-
	<u>20,228,933</u>	<u>5,764,239</u>	<u>13,679,728</u>	<u>1,921,413</u>

19 ADMINISTRATIVE AND OPERATING EXPENSES

	Nine months period ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Un-audited)			
	(Rupees)			
Salaries, allowances and other benefits	2,651,002	1,089,139	832,558	338,913
Rent, rates and taxes	432,627	59,735	109,867	18,915
Depreciation	551,259	60,705	156,505	20,235
Fuel and conveyance	139,488	101,462	52,617	34,032
Repairs and maintenance	256,034	209,589	31,950	61,548
Legal and professional	36,965,039	1,275,834	28,160,731	392,863
Electricity	146,505	123,407	27,181	18,568
Telephone	153,798	120,065	59,320	40,544
Entertainment	107,098	31,058	22,308	11,380
Insurance	71,577	71,118	23,859	23,706
Printing and stationery	398,183	348,691	115,606	106,803
Auditors' remuneration	2,175,430	688,369	1,656,925	256,255
Subscription	354,714	339,398	118,235	113,138
Registrar services	680,275	217,052	518,150	84,750
Postage	99,050	82,871	27,742	26,534
Advertisement	319,918	110,899	25,299	50,299
Commission	5,142,444	-	5,142,444	-
Others	940,773	92,251	216,727	13,527
Finance cost on right of use asset	15,617	-	7,209	-
	<u>51,600,831</u>	<u>5,021,643</u>	<u>37,305,233</u>	<u>1,612,010</u>

20 WORKERS' WELFARE FUND

This represents charge in respect of Workers' Welfare Fund recognised in line with the requirements of Sindh Workers' Welfare Fund Act, 2014.

21 TAXATION

21.1 The provision in respect of current tax and deferred tax has been made in these condensed interim financial statements due to the omission of clause 100 of Part 1 of the Second schedule to the Income Tax Ordinance, 2001.

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22 EARNINGS PER CERTIFICATE

Basic earnings per certificate is worked out as under:

	Note	Nine months period ended		Quarter ended	
		March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
----- (Un-audited) -----					
----- (Rupees) -----					
Profit / (loss) for the period		<u>24,624,666</u>	<u>7,756,839</u>	<u>24,568,029</u>	<u>2,750,701</u>
Weighted average number of ordinary certificates outstanding during the period		<u>31,571,988</u>	<u>19,219,925</u>	<u>31,571,988</u>	<u>19,219,925</u>
Earnings / (loss) per certificate - basic & diluted	22.1	<u>0.78</u>	<u>0.400</u>	<u>0.78</u>	<u>0.140</u>

22.1 Diluted earnings per certificate have not been presented as the Modaraba did not have any convertible instruments as at March 31, 2022 and March 31, 2021, which would have any effect on the earnings per certificate if the option to convert had been exercised.

23 RELATED PARTY TRANSACTIONS

The related parties comprise of the Management Company, major certificate holders and their family members, directors of the Modaraba and the 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. Transactions with related parties are at terms determined in accordance with the agreed rates.

Details of transaction with related parties and balances with them at the period end, other than which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

Name of the related party	Relationship	Balances as at period end	March 31,	June 30,	
			2022	2021	
Balances			(Unaudited)	(Audited)	
----- (Rupees) -----					
AssetPlex Modaraba Management	Management Company	Payable to AssetPlex Modaraba Management	<u>271,917</u>	<u>-</u>	
Oilboy Energy Limited (Formerly Drekkar Kingsway Limited)	Common Directorship	Receivable from Oilboy Energy Limited	<u>32,922,679</u>	<u>-</u>	
		Payable to Oilboy Energy Limited	<u>3,882,440</u>	<u>-</u>	

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Name of the related party	Relationship	For the period ended	For the nine months period ended	
			March 31, 2022	March 31, 2021
Transactions			(Unaudited)	
			(Rupees)	
AssetPlex Limited	Management Company	Service sales tax on management fees	<u>3,815</u>	<u>1,193</u>
Staff provident fund	Defined contribution plan	Contribution for the period	<u>170,261</u>	<u>44,211</u>
Staff gratuity fund	Defined benefit plan	Contribution for the period	<u>7,938</u>	<u>10,834</u>

24 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. Consequently, differences can arise between carrying values and the fair value.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Modaraba.

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.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

The Modaraba's accounting policy on fair value measurements of investments is disclosed in note 3.12 to the annual audited financial statements for the year ended 30 June 2021. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded.
- Level 2: Fair value measurements using 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 (ie, derived from prices), or indirectly (ie, derived from prices).
- Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs). The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

25 GENERAL

- 25.1 The figures in these condensed interim financial statements have been rounded off to the nearest Rupee.
- 25.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. No significant reclassifications have been made during the half year.

26 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, 2022.

Chief Financial Officer

Chief Executive Officer

Director

Director