



**WE HELP YOU  
GROW BUSINESS**

**Annual Report  
June 30, 2019**



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## Modaraba Information

Modaraba Company  
Eman Management (Private) Limited

Directors of Modaraba Company  
Mr. Muhammad Saeed  
Chairman

Mr. Giasuddin Khan  
Chief Executive

Mr. Joozer Jiwa Khan  
Non-Executive Independent Director

Mr. Nasim Ahmed  
Non-Executive Director

Mr. Ali Akbar Abdullah  
Non-Executive Director

Chief Financial Officer  
Mr. Abid Hussain Awan

Company Secretary  
Mr. M. Jamal Ahmedani

Head of Internal Audit  
Ms. Oraiba Shehzad

Audit Committee  
Mr. Joozer Jiwa Khan  
Chairman

Mr. Nasim Ahmed  
Member

Mr. Ali Akbar Abdullah  
Member

Human Resource and Remuneration Committee  
(HR&R Committee)

Mr. Joozer Jiwa Khan  
Chairman

Mr. Nasim Ahmed  
Member

Mr. Giasuddin Khan  
Member

Mr. Ali Akbar Abdullah  
Member

Sharia Advisor  
Mufti Ibrahim Essa

Auditors  
BDO Ebrahim & Co

Bankers / Financial Institutions

Bank Islami Pakistan Limited

MCB Islamic Bank Limited

HLB Islamic Bank

Bank of Khyber

Meezan Bank Limited

National Bank of Pakistan

Askari Bank Limited

Legal Advisor  
Mr. M Hashim Lodhi

Registered Office  
Plot # 9, Sector 24  
Korangi Industrial Area, Karachi  
Phone: 021 - 111 - 676 - 676

Registrar & Share Registration Office  
Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, SMCHS  
Main Shahrah-e-Faisal, Karachi

## **Vision:**

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

## **Mission:**

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

## Notice of Annual Review Meeting

Notice is hereby given that the 2nd Annual Review Meeting of certificate-holders of Orient Rental Modaraba will be held on October 26, 2019 at 08:45 am at the Registered Office of EMAN Management (Private) Limited situated at Plot No. 9, Sector 24, Korangi Industrial Area, Karachi, to review the performance of the Modaraba for the year ended June 30, 2019.



On behalf of the Board  
M. Jamal Ahmedani  
Company Secretary  
Orient Rental Modaraba  
September 27, 2019  
Karachi

### Notes:

1. The certificate transfer books shall remain closed from October 20, 2019 to October 26, 2019 (both days inclusive). Transfers received in order at the office of the Registrar of Orient Rental Modaraba i.e. M/s Central Depository Company of Pakistan Limited, before the close of business hours on October 19, 2019 will be treated as in time for the purpose of entitlement to dividend to the transferees and to attend the Annual Review Meeting.
2. The Certificate holders are advised to notify change in their address, if any, to the Share Registrar, M/s. Central Depository Company of Pakistan Limited (CDC) at its Head Office CDC House, 99-B, Block 'B', SMCHS, Main Shahrah-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326040.
3. For attending the Meeting:
  - i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate its identity by showing his original CNIC or original passport at the time of attending the Meeting.
  - ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting.
4. In terms of Securities and Exchange Commission of Pakistan's (SECP) S.R.O. 634 (I)/ 2014, the Annual Report for the year ended June 30, 2019 will also be placed on Modaraba's website simultaneously with the dispatch of the same to the certificate holders.

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

The Government of Pakistan through Finance Act, 2019 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies/modarabas as under:

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

To enable the Modaraba to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the certificate holders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers of Income Tax Returns are advised to make sure that their names are entered into ATL before the start of closed period (referred above) otherwise tax on their cash dividend will be deducted @30% instead of 15%. For any query/problem/ information, the Certificate holders may contact the Share Registrar at its Head Office CDC House, 99-B, Block 'B', SMCHS, Main Shahrah-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326040.

The corporate certificate holders having CDC accounts are required to have their National Tax Numbers (NTN) updated with their respective participants.

Certificate holders seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be. Certificate holders desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

## 6. Withholding tax on dividend in case of Joint Account Holders

All certificate holders who hold certificates jointly are requested to provide shareholding proportions of Principal certificate holder and Joint-holder(s) in respect of certificates held by them to our Share Registrar, in writing as follows:

Folio No. / CDC Account No.	Total Certificates	Principal Certificate holder		Joint Certificate holder	
		Name and CNIC No.	Certificate holding Proportion (No. of certificates)	Name and CNIC No.	Certificate holding Proportion (No. of certificates)

The required information must reach our Share Registrar before the close of business on October 19, 2019, otherwise it will be assumed that the certificates are equally held by Principal certificate holder and Joint-holder(s).

## 7. Dividend Mandate

As per Section 242 of the Companies Act, 2017 (the "Act"), the payment of cash dividend by a listed company / entity through electronic mode has now become mandatory. Therefore, all the certificate holders of Orient Rental Modaraba are hereby advised to provide dividend mandate of their respective banks in the "Dividend Mandate Form" available on Company's website. Certificate holders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service. In the absence of bank account details or in case of incomplete details, the Modaraba is required to withhold the payment of cash dividend of those shareholders who have not provided the same. For more information, you may contact our share registrar at its Head Office CDC House, 99-B, Block 'B', SMCHS, Main Shahrah-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326040.

8. As per the directives issued by the Securities and Exchange Commission of Pakistan ("SECP") vide S.R.O.787(1)2014 dated 08 September 2014, Companies are allowed the circulation of Audited Financial Statements along with Notice of Annual Review Meeting to their certificate holders through email. Certificate holders who wish to receive Modaraba's Annual Report via email in future are requested to fill the consent form (available at Orient Rental Modaraba website) and return it to our Share Registrar at its Head Office CDC House, 99-B, Block 'B', SMCHS, Main Shahrah-e-Faisal, Karachi – 74400, Telephone No: 021-111-111-500, Fax No: 021-34326040.

## Key Financial Data

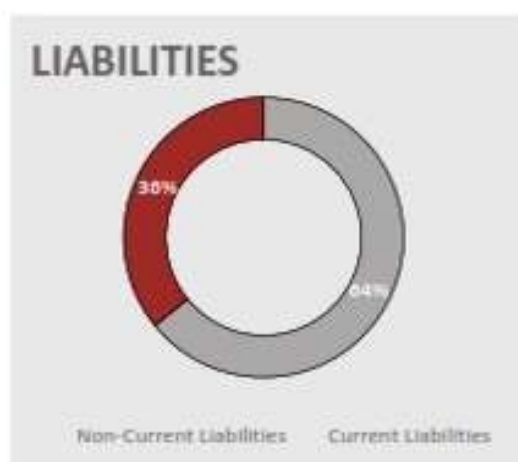
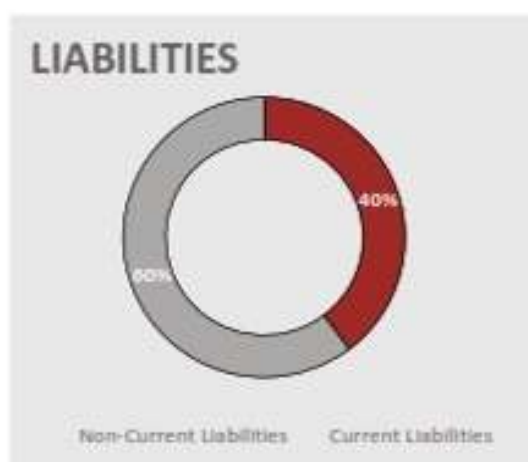
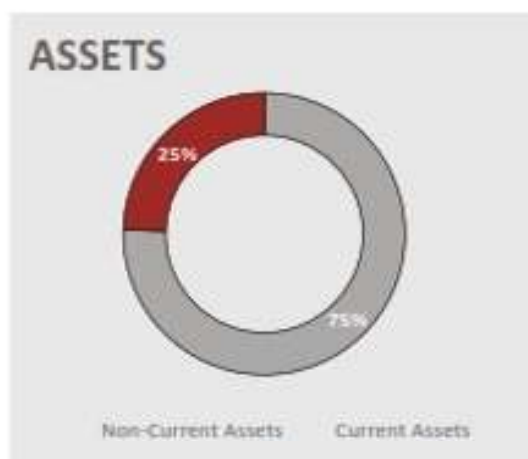
		2018 - 19	2017 - 18
Total Assets	Rs. in Millions	1,607	1,462
Current Assets	Rs. in Millions	395	293
Current Liabilities	Rs. in Millions	444	229
Paid-up certificate capital	Rs. in Millions	750	750
Reserves	Rs. in Millions	122	72
Certificate holders' equity	Rs. in Millions	872	822
Gross Profit	Rs. in Millions	249	140
Net Profit	Rs. in Millions	103	72
Total Dividend	Rs. in Millions	75.00	51.75
Return on Asset	%	6	5
Return on Equity	%	12	9
Debt / Equity Ratio	times	0.84	0.78
Current Ratio	times	0.89	1.28
Earnings per certificate - basic and diluted	Rs.	1.37	0.95
Cash dividend	%	10	6.90
Cash dividend per certificate	Rs.	1.00	0.69
Book value per certificate	Rs.	11.63	10.95

## Value Added Statement

	2018 - 19		2017 - 18	
	Rs in '000	%	Rs in '000	%
<b>Value Added</b>				
Revenue from Operations	1,274,761	143%	610,618	150%
Less: Operating expenses	(386,277)	(43%)	(211,512)	(52%)
Other Income	167	0%	7,555	2%
	<u>888,652</u>	100%	<u>406,661</u>	100%
<b>Value Allocated</b>				
To Employees				
as remuneration	558,540	63%	193,418	48%
To providers of Finance				
as profit on Diminishing Musharaka	49,179	6%	16,727	4%
To Modarib				
Modaraba Management Company	11,819	1%	8,226	2%
To Certificate Holders'				
as profit on Modaraba Certificates	75,000	8%	51,750	13%
Retained in the business				
as Depreciation including Amortisation	124,323	14%	80,322	20%
as Reserve and Retained Earnings	69,792	8%	56,218	14%
	<u>888,652</u>	100%	<u>406,661</u>	100%

## Balance Sheet Composition

	2018 - 19 Rupees	2017 - 18 Rupees
Non-Current Assets	1,212,804,336	1,168,827,962
Current Assets	394,583,762	293,407,281
Non-Current Liabilities	291,250,000	411,250,000
Current Liabilities	443,652,060	229,484,182
Equity	872,486,038	821,501,061



## Vertical Analysis

BALANCE SHEET	2018 - 19	2017 - 18
<b>ASSETS</b>		
Non-current assets		
Fixed assets	74%	77%
Intangible assets	0%	0%
Preliminary expenses and floatation costs	1%	2%
Advances	0%	1%
Long term deposits	0%	0%
	75%	80%
Current assets		
Store, Spare parts and loose tools	2%	1%
Receivables	11%	11%
Loan, advances and other receivables	2%	3%
Tax refunds due from Government	8%	2%
Cash and Bank balances	2%	3%
	25%	20%
	100%	100%
<b>LIABILITIES</b>		
Non-current liabilities		
Diminishing musharaka financing	16%	28%
Current liabilities		
Current maturity of diminishing musharaka financing	10%	3%
Payable to Modaraba Management Company	1%	1%
Creditors, accrued and other liabilities	17%	12%
Dividend payable	0%	0%
	28%	16%
<b>FINANCED BY: CAPITAL AND RESERVES</b>		
Issued, subscribed and paid up certificate capital	47%	51%
Unappropriated profit	5%	4%
Statutory reserve	2%	1%
	54%	56%
	100%	100%
<b>PROFIT AND LOSS ACCOUNT</b>		
Ijarah rentals - net	66%	67%
Operation and maintenance income - net	34%	32%
Income on deposits with banks	0%	1%
Gross Revenue	100%	100%
Operating expenses		
Administrative expenses	3%	2%
Marketing expenses	0%	1%
Preliminary expenses and floatation costs	1%	2%
Finance cost	4%	3%
Provision against potential Ijarah losses and operation and maintenance income	2%	3%
Total Expenses	90%	87%
Modaraba Management Company's fee	1%	1%
Provision for Sales tax on Modaraba Management fees	0%	0%
Provision for Sindh Workers' Welfare Fund	0%	0%
Profit Margin	9%	12%

## Horizontal Analysis

	2018 - 19
<b>BALANCE SHEET</b>	
<b>ASSETS</b>	
<b>Non-current assets</b>	
Fixed assets	6%
Intangible assets	0%
Preliminary expenses and floatation costs	-50%
Advances	-100%
Long term deposits	100%
<b>Current assets</b>	
Stores, spare parts and loose tools	63%
Receivables	6%
Loans, advances and other receivables	-14%
Tax refunds due from Government	202%
Cash and Bank balances	-16%
	34%
	10%
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
Diminishing musharaka financing	-29%
<b>Current liabilities</b>	
Current maturity of diminishing musharaka financing	228%
Payable to Modaraba Management Company	36%
Creditors, accrued and other liabilities	56%
Dividend payable	100%
	93%
<b>FINANCED BY: CAPITAL AND RESERVES</b>	
Issued, subscribed and paid up certificate capital	0%
Unappropriated profit	53%
Statutory reserve	144%
	6%
	10%
<b>PROFIT AND LOSS ACCOUNT</b>	
Ijarah rentals - net	101%
Operation and maintenance income - net	125%
Income on deposits with banks	-77%
Gross Revenue	106%
<b>Operating expenses</b>	
Administrative expenses	201%
Marketing expenses	61%
Preliminary expenses and floatation costs	0%
Finance cost	194%
Provision against potential Ijarah losses and operation and maintenance income	17%
Total Expenses	116%
Modaraba Management Company's fee	44%
Provision for Sales tax on Modaraba Management fees	44%
Provision for Sindh Workers' Welfare Fund	44%
Profit Margin	44%

## Chairman's Review Report

Dear Modaraba Certificate Holders,

On behalf of Board of Directors of EMAN Management (Private) Limited, the Management Company of Orient Rental Modaraba ("Modaraba"), I am pleased to present Annual Review Report of the Modaraba for the year ended June 30, 2019.

The composition of the Board of Directors reflects mix of varied backgrounds and rich experience in the fields of business, finance, banking and regulations. The Board also ensures that the Management is complying with the regulatory requirements and that the exceptions reported under the Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017 shall be completed in the current financial year. The Board is ably assisted by its Committees. The Board and its Committees meet frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

As we strengthen our position in our existing business segment. Simultaneously, we also look forward for future in line with our core business strategies to explore new markets and customer segments for further business expansion in untapped segments. I am glad that our competent team has ability to grasp business opportunities and also engage themselves in new segments always ahead of our competitors. Islamic finance is growing sector in Pakistan and I am confident Modaraba will further enhance its assets size in this emerging segments.

I place my sincere appreciation to our Chief Executive Officer and all his team members for their hard work and dedication. I also wish to place my sincere appreciation to the Registrar Modaraba, Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange for their cooperation, support and guidance from time to time.

I would also like to take this opportunity to acknowledge and thank all stakeholders, employees, customers, suppliers, certificate-holders, bankers and all others for their continued support and loyalty.



Muhammad Saeed  
Chairman

Dated: September 27, 2019

## Directors' Report

For the Year Ended June 30, 2019

The Board of Directors of EMAN Management (Private) Limited ("EMAN"), the Management Company of Orient Rental Modaraba ("Modaraba") has pleasure in presenting Director's Report together with Audited Financial Statements of the Modaraba for the year ended June 30, 2019. The financial highlights are as follows:

Financial Highlights	June 2019 Rupees	For the period from November 17, 2017 to June-2018 Rupees
Revenue	1,274,761,399	610,617,688
Expenses - net	(1,156,574,692)	(528,362,597)
Profit before Management Fee	118,186,707	82,255,091
Management Company's Remuneration and other provision	(15,451,730)	(10,754,030)
Profit before & after Taxation	102,734,977	71,501,061
Un-appropriated profit brought forward	57,200,849	
Transfer to Statutory Reserve @ 20% of profit (2018 @20%)	(20,546,995)	(14,300,212)
Profit distribution for the year ended June 30, 2018 @ Rs. 0.69 per Certificate	(51,750,000)	-
Un-appropriated profit carry forward	87,638,831	57,200,849
Earnings per Certificate – Basic and Diluted	1.37	0.95
Break up value per certificate	11.63	10.95

### Review of Operations

Your Modaraba has concluded its first full successful financial year consolidating its position within Modaraba Sector of Pakistan. The management has fulfilled its commitment in presenting a satisfactory financial result and demonstrated operational and managerial strength which is well reflected on both the business volume and profitability. During the year, the Modaraba has managed to induct a healthy customer base and earn gross revenues Rs. 1,274.76 million vis-à-vis Rs. 610.62 million for the corresponding period of seven months in 2017-18 while its operating cost is restricted to 1,156.57 million vis-à-vis 528.36 million for the corresponding period of seven months in 2017-18, which includes amortization of preliminary cost of 11.96 million. Consequently, earning per certificate has also improved by Re. 0.42 to Rs. 1.37 per certificate.

The Modaraba intends to distribute 90% of its profit, as reduced by transfer to statutory reserves, to its certificate holders and therefore no provision on account of taxation is made in these financial statements.

### Profit Distribution

The Board is pleased to announce a cash dividend of 10% i.e. Rs. 1.00/-per certificate of Rs. 10/- each, subject to deduction of zakat and tax at source, where applicable.

## Principal Risks and Uncertainties

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

- **Changes in Taxation Policy**

The success of the Modaraba, amongst other factors, is dependent upon the privilege of tax exemption by the Government, which is available only on minimum distribution of 90% of the profit to its certificate holders in the form of cash dividend. If at any stage, this exemption is withdrawn by the Government, the earning per share of the Modaraba may be affected.

- **Business Risk**

Due to significant reliance on generator rental business, the Modaraba is facing a risk from availability of cheap sources of power generation equipment like solar powered plants etc. Similarly, any Government subsidy to Alternate Energy sector might negatively affect the Modaraba.

- **Credit Risk**

Modaraba is exposed to inherent default risks in the business of Ijarah. The Modaraba is carrying significant risks in terms of default in rental payments by lessee and other risks such as non-possession of leased asset, misuse or abuse by lessee, accidents, theft, and breakdown.

- **Economic Risk**

The performance of Modaraba can be affected by changes in the economic conditions. Factors such as market growth, interest rates and exchange rates could affect the earnings and assets of Modaraba.

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

## Future Outlook

The Board is keen to focus on its core activities and has plans to increase its existing assets base as there is a good opportunity for generator rental business due to a variety of factors including availability of LNG, cash flow pressures on industries, shortfall in power production, increasing maintenance cost etc.

ORM is well positioned as a progressive Modaraba and we shall continue working towards quality growth and best return to our investors. Our focused strategy remains towards accomplishment of steady performance under the challenging business environment through expanding quality customer base and outreach. We aim to continue with our efforts to maximize cost efficiencies focusing on greater synergy amongst our various functions. Our emphasis will be on delivering consistent returns to our investors, while maintaining enhanced service standards.

### The Board of Directors

The Board comprises of five directors. The composition of the board members is as follows:

Independent Directors	1
Non-Executive Directors	3
Executive Directors	1

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

Name of Director	Meeting	
	Held	Attended
Mr. Muhammad Saeed	5	4
Mr. Nasim Ahmed	5	5
Mr. Gasuddin Khan	5	5
Mr. Joozer Jiwa Khan	5	5
Mr. Ali Akbar Abdullah	5	5

### Board Audit Committee

The Board of Directors has established an Audit Committee, in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017, which oversees internal controls and compliance and has been working efficiently since its inception. The Audit Committee reviewed the quarterly, half-yearly, and annual financial statements before submission to the Board and their publication. The Audit Committee had detailed discussions with the external auditors on various issues, including their letter to the management. The Audit Committee also reviewed internal auditors' findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

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

Name of Director	Meeting	
	Held	Attended
Mr. Joozer Jiwa Khan	4	4
Mr. Nasim Ahmed	4	4
Mr. Ali Akbar Abdullah	4	4

### Human Resource And Remuneration Committee

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

During the year, Human Resource and Remuneration Committee conducted 2 (two) meetings. The position of attendance is as follows.

Name of Director	Meeting	
	Held	Attended
Mr. Joozer Jiwa Khan	2	2
Mr. Nasim Ahmed	2	2
Mr. Giasuddin Khan	2	2
Mr. Ali Akbar Abdullah	2	2

#### Compliance with Corporate Governance

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

#### Corporate and Financial Reporting Framework

- The Board of Directors is pleased to report that the Financial statements prepared by the management of the Modaraba, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Modaraba have been maintained.
- Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable to Modarabas in Pakistan, have been followed in preparation of financial statements.
- The system of internal control, which is in place, is being continuously reviewed by internal audit and other such procedures. The process of review will continue and any weakness in controls will be removed.
- There are no significant doubts upon the Modaraba's ability to continue as a going concern.
- Summary of key operating and financial data for the year under review is included in this annual report.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at June 30, 2019 except for those disclosed in the financial statements.
- Employee's Provident Fund of Modaraba is in registration process. The value of investments based on the unaudited financial statements of the fund as at June 30, 2019 is Rs. 20,909,154 (June 30, 2018 : Rs. 7,531,168).



### **Place of Board Meeting**

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

### **Pattern of Certificate Holders**

A Statement showing pattern of Certificate Holding of the Modaraba and additional information as at June 30, 2019 is included in this report along with the proxy form.

### **Directors Training Program**

The Board is committed to compliance with Corporate Governance Regulations and plans fulfillment of the Directors' Training Program.

### **Related party transactions**

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

### **Internal Financial Controls**

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

### **Subsequent Events**

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

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

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

### **Shari'ah Audit Report**

The Modaraba continues to seek guidance from its Shari'ah Advisor, Mufti Ibrahim Essa as and when required. The internal audit department has also been trained to handle the day to day affairs of the Modaraba ensuring complete adherence to Shari'ah policies and principles. The Shari'ah' Audit Report issued for the affairs of the Modaraba for the year ended June 30, 2019 is attached in the Annual Financial Statements.



#### Circulation of Annual Reports through CD/DVD/USB

As notified by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 470(I)/2016 dated May 21, 2016 and in continuation with the SRO 787(I)/2014 dated September 08, 2014 and approved by the Board of Directors of the Management Company in their meeting held on September 26, 2018, the Modaraba shall, subject to the approval of Registrar Modaraba, Specialized Companies Division, SECP, circulate its annual balance sheet, profit and loss account, auditors report and directors report etc. ("Annual Audited Accounts") to its members through CD/DVD/USB at their registered addresses, save for those who opt for a hardcopy of the Annual Audited Accounts. The Standard request form for electronic transmission is available at the Company's website [www.orientmodaraba.com](http://www.orientmodaraba.com).

#### Auditors

"On the recommendation of the Audit Committee, the Board has approved the re-appointment of M/s. BDO Ebrahim & Co., Chartered Accountants as auditors for the year ending June 30, 2020 at a remuneration to be mutually agreed, subject to the approval of Registrar of Modaraba Companies & Modarabas."

#### Acknowledgement

The Board wishes to place on record its sincere appreciation to the Registrar Modaraba, Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange for their co-operation, support and guidance from time to time.

The Board also places on record its sincere gratitude to the certificate holders who have remained committed to the Orient Group and the employees of the Modaraba for their contribution and efforts to meet customer's expectation by providing quality service, ensuring continued business for the Modaraba.

  
Chief Executive Officer  
September 27, 2019

  
Director

**MUFTI MUHAMMAD IBRAHIM ESSA**  
 Graduate from Jamia Darul Uloom Karachi, Pakistan  
 Shariah Advisor – Islamic Finance and Takaful Matters

**المفتي محمد ابراهيم عيسى**  
 خريج الجامعة دار العلوم كراتشي، باكستان  
 المشير الشرعي لتأجير العقارات الإسلامية

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ  
 نحمده و نصلی علی رسولہ الکریم  
**Shariah Advisor's Report**  
 For the period ended June 30, 2019

I have reviewed the affairs of **Orient Rental Modaraba** for the Year ended **June 30, 2019**. Based on my review, the following were the major activities / developments that took place during this period:

**BANK ACCOUNTS:**

For investment and operational purposes, Modaraba is operating the Bank accounts maintained with Islamic Banks.

**TAKAFUL:**

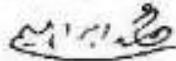
For risk mitigation, the Modaraba effectively adopted and maintained Takaful coverage with Takaful companies and did not obtain any coverage(s) from conventional Insurance companies to the best of my knowledge.

**OPERATING LEASE AND OPERATION AND MAINTENANCE CONTRACTS:**

Modaraba executed number of operating lease and operation and maintenance contracts with different reputable clients. In my Shariah review of selected contracts, I came to know that only the approved version of agreements were used by the Modaraba.

**CONCLUSION:**

Generally, the Management of Orient Rental Modaraba has effectively shown its sincerity to comply with Shariah Rulings in its true spirit; therefore, I am of the view that the business operations of Orient Rental Modaraba are Shariah Compliant up to the best of my knowledge.



**Mufti Muhammad Ibrahim Essa**  
 Shariah Advisor  
 Orient Rental Modaraba  
 Dated: September 20, 2019



## **Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017**

**For the year ended June 30, 2019**

This statement is being presented to comply with Listed Companies (Code of Corporate Governance) Regulations, 2017. Regardless of the fact that EMAN Management (Private) Limited, the Management Company of Orient Rental Modaraba (Modaraba), is a private limited company, the Board of Directors of the Management Company are pleased to confirm that the Code is being complied with in all material respects (pertaining to the operations of the Modaraba). The Management Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors is 5 (Five) which consists of male directors. The Board was constituted prior to the notification of Listed Companies (Code of Corporate Governance) Regulations, 2017, the Modaraba will appoint a female director at the time of next election of Directors to comply with this requirement of the Regulations.
2. The composition of Board is as follows:
  - a) Independent Director: Mr. Joozer Jiwa Khan
  - b) Other Non-executive Director: Mr. Muhammad Saeed  
Mr. Nasim Ahmed  
Mr. Ali Akbar Abdullah
  - c) Executive Director: Mr. Giasuddin Khan

The Board was constituted prior to the notification of Listed Companies (Code of Corporate Governance) Regulations, 2017, the Board of Directors will be reconstituted at the time of next election of Directors to comply with the requirement of Independent directors on the Board.

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Modaraba.
4. The Modaraba is in process of maintaining a Code of Conduct and ensuring that appropriate steps will be taken to disseminate it throughout the Modaraba along with supporting policies and procedures.
5. The Board has developed vision and mission statement, however, the Modaraba is in the process of developing the overall corporate strategy of the Modaraba.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board as empowered by the relevant provisions of the Act and these Regulations.
7. All meetings of the Board were presided over by the Chairman of the Board and in his absence by the Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect of frequency, recording and circulating minutes of meeting of Board.

8. The Board is committed to compliance with Corporate Governance Regulations and plans fulfillment of the Directors' Training program within the prescribed time lines.
9. The Board is committed to compliance with Corporate Governance Regulations and plans fulfillment of the Directors' Training program within the prescribed time lines.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members given below:
  - a) Audit Committee:
    1. Mr. Joozer Jiwa Khan (Chairman);
    2. Mr. Nasim Ahmed (Non-executive Director)
    3. Mr. Ali Akbar Abdullah (Non-executive Director)
  - b) HR and Remuneration Committee:
    1. Mr. Joozer Jiwa Khan (Chairman);
    2. Mr. Nasim Ahmed (Non-executive Director)
    3. Mr. Ali Akbar Abdullah (Non-executive Director)
    4. Mr. Giasuddin Khan (Chief Executive)
13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.
14. The frequencies of the meetings of the Committees are as follows;
 

Committee	Frequency of meeting
Audit Committee	5 (five) meetings
HR and Remuneration Committee	2 (two) meetings
15. The Board has appointed Head of Internal Audit and outsourced the internal audit function to M/s. Baker Tilly Mehmood Idrees Qamar, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Modaraba.
16. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Modaraba and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations, except following which are in process, have been complied with;
- Regulation 10(4) of the Regulations which requires the Board of Directors of the Modaraba Management Company to maintain complete record of particulars of significant policies along with their dates of approval and updates.
  - Regulation 10(3)(iii) of the Regulations which requires the Board of Directors of the Modaraba Management Company to have adequate policy, systems and controls are in place for communication and disclosure with stakeholders, identification and redressal of grievances and queries of shareholders/ investors and complaints arising from unethical practices.
  - Regulation 10(3)(v) of the Regulations which requires the Board of Directors of the Modaraba Management Company to ensure that a formal and effective mechanism is put in place for an annual evaluation of the board's own performance, members of board and of its committees.
  - Regulation 10(3)(va) of the Regulations requires the Board of Directors of the Modaraba Management Company to ensure that formal mechanism shall be in place for selecting, compensating, monitoring and, when necessary, replacing senior executives and overseeing succession planning and the remuneration of key executives and board may be aligned with the long term interests of the company and its shareholders.
  - Regulation 10(3)(vii) which requires the Board of Directors to define the level of materiality, keeping in view the specific circumstances of the company and the recommendations of any technical or executive sub-committee of the board that may be set up for the purpose.

  
Chief Executive Officer  
September 27, 2019

  
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE HOLDERS OF ORIENT RENTAL MODARABA ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Emar Management (Private) Limited (the Modaraba Management Company) for and on behalf of Orient Rental Modaraba (the Modaraba) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Modaraba Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Modaraba's personnel and review of various documents prepared by the Modaraba Management Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Modaraba's corporate governance procedures and risks.

The Regulations require the Modaraba Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Modaraba Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2019.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph references where these are stated in the Statement of Compliance:

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## BDO

Paragraph

S. no	Reference	Description
I	4	The Modaraba is in process of maintaining a Code of Conduct and ensuring that appropriate steps will be taken to disseminate it throughout the Modaraba along with supporting policies and procedures.
II	5	The Modaraba is in the process of developing overall corporate strategy.
III	9	The Board plans to fulfill the requirement of the Directors' Training program in the next year.
VI	18	<p>The Board of Directors of the Modaraba Management Company is in process to maintain complete record of particulars of significant policies along with their dates of approval and updates.</p> <p>The Board of Directors of the Modaraba Management Company is in process to have adequate policy, systems and controls in place for communication and disclosure with stakeholders, identification and redressal of grievances and queries of shareholders/ investors and complaints arising from unethical practices.</p> <p>The Board of Directors of the Modaraba Management Company is in process to have a formal and effective mechanism in place for an annual evaluation of the board's own performance, members of board and of its committees.</p> <p>The Board of Directors of the Modaraba Management Company is in process to have formal mechanism in place for selecting, compensating, monitoring and, when necessary, replacing senior executives and overseeing succession planning and the remuneration of key executives.</p> <p>The Board of Directors is in process to define the level of materiality, keeping in view the specific circumstances of the company and the recommendations of any technical or executive sub-committee of the board that may be set up for the purpose.</p>

KARACHI  
DATED: SEPTEMBER 27, 2019

*BDO Ebrahim & Co.*  
CHARTERED ACCOUNTANTS  
Engagement Partner: Raheel Shah Nawaz

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BDO Ebrahim & Co. Chartered Accountants  
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#### AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of **ORIENT RENTAL MODARABA** ("the Modaraba") as at June 30, 2019 and the related profit and loss account, the statement of comprehensive income, the cash flow statement and the statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year ended June 30, 2019 and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

These financial statements are the Modaraba Management Company's [Eman Management Company (Private) Limited] responsibility who is also responsible to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the Modaraba Management Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion proper books of account have been kept by the Modaraba in respect of the Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- b) in our opinion:
  - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation And Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of account and are further in agreement with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;

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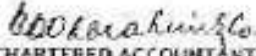
**BDO Ebrahim & Co. Chartered Accountants**

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- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2019 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) In our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Modaraba and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KARACHI

DATED: 27 SEP 2019

  
CHARTERED ACCOUNTANTS  
Engagement Partner: Raheel Shahnaaz

## BALANCE SHEET AS AT JUNE 30, 2019

	Note	June 30, 2019 (Rupees)	June 30, 2018 (Rupees)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	5	1,195,745,908	1,124,555,645
Intangible assets	6	404,744	-
Preliminary expenses and floatation costs	7	11,955,684	23,911,368
Advances	8	-	20,360,949
Long term deposit	9	4,698,000	-
		<u>1,212,804,336</u>	<u>1,168,827,962</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	10	26,632,841	16,308,050
Receivables	11	168,781,263	156,833,518
Loans, advances and other receivable	12	35,629,597	41,482,830
Tax refunds due from Government	13	124,674,355	32,660,834
Cash and bank balances	14	38,865,706	46,122,049
		<u>394,583,762</u>	<u>293,407,281</u>
<b>TOTAL ASSETS</b>		<u><u>1,607,388,098</u></u>	<u><u>1,462,235,243</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized capital		750,000,000	750,000,000
75,000,000 certificates of Rs. 10 each			
Issued, subscribed and paid-up certificate capital	15	750,000,000	750,000,000
Unappropriated profit		87,638,831	57,200,849
Statutory reserve	16	34,847,207	14,300,212
		<u>872,486,038</u>	<u>821,501,061</u>
<b>NON-CURRENT LIABILITIES</b>			
Diminishing musharaka financing	17	291,250,000	411,250,000
<b>CURRENT LIABILITIES</b>			
Current maturity of diminishing musharaka financing	17	160,000,000	48,750,000
Payable to Modaraba Management Company	18	14,424,414	10,593,601
Creditors, accrued and other liabilities	19	269,124,385	170,140,581
Dividend payable		103,261	-
		<u>443,652,060</u>	<u>229,484,182</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,607,388,098</u></u>	<u><u>1,462,235,243</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	20		

The annexed notes from 1 to 41 form an integral part of these financial statements.

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

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019 (Rupees)	For the period from November 17, 2017 to June 30, 2018 (Rupees)
Ijarah rentals - net	21	841,538,048	417,700,165
Operation and maintenance income - net	22	433,223,351	192,917,523
		1,274,761,399	610,617,688
Operating expenses	23	(1,025,661,500)	(470,253,424)
Gross profit		249,099,899	140,364,264
Income on deposits with banks		2,064,141	9,013,769
Gain on disposal of fixed assets		199,610	-
		251,363,650	149,378,033
Administrative expenses	24	(41,941,398)	(13,928,805)
Marketing expenses		(5,007,650)	(3,103,137)
Preliminary expenses and floatation costs	7	(11,955,684)	(11,955,684)
Finance cost	25	(49,178,967)	(16,727,162)
Provision against potential Ijarah losses and operation and maintenance income	11.2 & 11.4	(25,093,244)	(21,408,154)
		(133,176,943)	(67,122,942)
		118,186,707	82,255,091
Modaraba Management Company's fee	26	11,818,671	8,225,509
Provision for sales tax on Modaraba Management fees	26	1,536,427	1,069,316
Provision for Sindh Workers' Welfare Fund		2,096,632	1,459,205
Profit before taxation		102,734,977	71,501,061
Taxation	27	-	-
Profit for the year / period		102,734,977	71,501,061
Earnings per certificate - basic and diluted	28	1.37	0.95

The annexed notes from 1 to 41 form an integral part of these financial statements.

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

  
Chief Executive Officer

  
Director

  
Director


  
Chief Financial Officer

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2019**

	June 30, 2019 (Rupees)	For the period from November 17, 2017 to June 30, 2018 (Rupees)
Profit for the year / period	102,734,977	71,501,061
Other comprehensive income	-	-
Total comprehensive income for the year / period	<u>102,734,977</u>	<u>71,501,061</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.

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

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	June 30, 2019 (Rupees)	For the period from November 17, 2017 to June 30, 2018 (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		102,734,977	71,501,061
Adjustments for non-cash and other items:			
Depreciation	5.1	124,214,420	80,321,655
Amortization	6	106,451	-
Preliminary expenses and floatation costs		11,955,664	11,955,664
Provision against potential ijrah losses and operation and maintenance income	11.2 & 11.4	25,093,244	21,406,154
Finance cost	25	49,178,967	16,727,162
Gain on disposal of fixed assets		(199,810)	-
Provision for Sindh Workers' Welfare Fund		(2,096,632)	(1,459,205)
Profit on bank deposits		(2,064,141)	(9,013,769)
		<u>206,190,353</u>	<u>119,939,661</u>
Operating profit before working capital changes		306,925,360	191,440,942
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(10,324,791)	(16,306,050)
Receivables		(37,040,999)	(178,241,672)
Loans, advances and other receivable		5,693,114	(41,252,374)
Tax refunds due from Government		(92,013,521)	(32,866,634)
		(133,686,187)	(268,462,930)
Increase in current liabilities:			
Payable to Modaraba Management Company		3,830,813	10,593,601
Creditors, accrued and other liabilities		97,569,942	166,669,204
		101,400,755	177,262,805
Profit paid on diminishing musharaka finance		(45,665,473)	(11,796,550)
Net cash generated from operating activities		<u>230,971,455</u>	<u>66,444,237</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to fixed assets		(197,969,236)	(1,204,877,500)
Proceeds against disposal of ijrah assets		2,764,163	-
Additions to intangible assets		(513,195)	-
Preliminary expenses and floatation costs		-	(35,867,052)
Advances		20,360,949	(20,360,949)
Long term deposit		(4,696,000)	-
Profit on bank deposits		2,224,260	8,763,313
Net cash used in investing activities		<u>(177,831,059)</u>	<u>(1,252,322,186)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Diminishing musharaka financing	17	40,000,000	460,000,000
Repayment of diminishing musharaka financing		(46,750,000)	-
Dividend paid		(51,646,739)	-
Issuance of certificate capital		-	750,000,000
Net cash (used in) / generated from financing activities		<u>(58,396,739)</u>	<u>1,210,000,000</u>
Net (decrease) / increase in cash and cash equivalents		(7,256,343)	46,122,049
Cash and cash equivalents at the beginning of the year / period		46,122,049	-
Cash and cash equivalents at the end of the year / period	14	<u>38,865,706</u>	<u>46,122,049</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.

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

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2019

	Paid-up certificate capital	Statutory reserve*	Unappropriated profit	Total
	(Rupees)			
Balance as at November 17, 2017	-	-	-	-
Certificate capital issued during the period	750,000,000	-	-	750,000,000
Profit for the period	-	-	71,501,061	71,501,061
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	71,501,061	71,501,061
Transfer to statutory reserve	-	14,300,212	(14,300,212)	-
Balance as at June 30, 2018	750,000,000	14,300,212	57,200,849	821,501,061
Balance as at July 01, 2018	750,000,000	14,300,212	57,200,849	821,501,061
Profit for the year	-	-	102,734,977	102,734,977
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	102,734,977	102,734,977
Transfer to statutory reserve	-	20,546,995	(20,546,995)	-
Transaction with owners				
Profit distribution for the year ended June 30, 2019				
@ Re. 0.69 per certificate	-	-	(51,750,000)	(51,750,000)
Balance as at June 30, 2019	750,000,000	34,847,207	67,530,831	852,378,038

\* Statutory reserve represents profit set aside to comply with Prudential Regulation for Modarabas issued by Securities and Exchange Commission of Pakistan

The annexed notes from 1 to 41 form an integral part of these financial statements.

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

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

### **1 NATURE AND STATUS OF BUSINESS**

Orient Rental Modaraba (the Modaraba) is a multipurpose and perpetual modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by Eman Management (Private) Limited (the Modaraba Management Company). The Modaraba Management Company is incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is registered with the Registrar of Modaraba Companies and Modaraba under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The Modaraba was formally listed on November 17, 2017 on Pakistan Stock Exchange Limited. After receiving the certificate of minimum subscription the Modaraba commenced its operations with effect from November 24, 2017. The Registered Office is situated at Plot # 9, Sector 24, Korangi Industrial Area, Karachi and the head office is located at Al-Tijarah Center, 15th floor Shakra-e-Faisal, Karachi. The Modaraba is primarily engaged in the business of ijarah, operation and maintenance services.

### **2 BASIS OF PREPARATION**

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

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

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

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

### **2.1.2 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 01, 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.

Islamic Financial Accounting Standard 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan was adopted by the Securities and Exchange Commission of Pakistan (the SECP) vide SRO 431(1)/ 2007 dated May 22, 2007. Under the above IFAS 2, the 'Ijarah' transactions are accounted for in the following manner:

- Muj'ir (lessors) presents the 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 expenses.
- 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.

Consequently, in preparation of these financial statements the Modaraba has treated leasing transactions in accordance with the requirements of IFAS 2.

### **2.2 Basis of measurement**

These financial statements have been prepared on the historical cost basis except for the measurement at fair value of certain financial instruments in accordance with the requirements of IFRS 9 "Financial Instruments: Recognition and Measurement", wherever applicable. These financial statements have been prepared following accrual basis of accounting except for cash flow statement.

### **2.3 Functional and presentation currency**

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

## **2.4 Significant accounting estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period effected. In the process of applying the Modaraba's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

## **2.5 Useful lives, pattern of flow of economic benefits and impairment**

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

## **2.6 Provision against non-performing ijarah rental receivables and operation and maintenance income receivables**

The Modaraba reviews its doubtful debts at each reporting date to assess whether provision should be recorded in the profit and loss account in addition to the mandatory provision required in accordance with the Prudential Regulations issued by the SECP. In particular, judgment by management is required in the estimates of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

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

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

## **3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

### **3.1 Standards / amendments that are effective in current year and are relevant to the Modaraba**

The Modaraba has adopted the standards / amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

	<b>Effective date (annual periods beginning on or after)</b>
Conceptual Framework for Financial Reporting 2018 - Original Issue	March 01, 2018
IFRS 9 Financial Instruments - finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	July 01, 2018
IFRS 9 Financial Instruments - reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9	July 01, 2018
IFRS 15 Original issue	July 01, 2018
IFRS 15 Clarifications to IFRS 15	July 01, 2018
IAS 39 Financial Instruments: Recognition and Measurements- amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception	July 01, 2018

### **3.2 Standards / amendments that are effective in current year and not relevant to the Modaraba**

The Modaraba has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard which are not relevant to the Modaraba:

IFRS 2 Share-based Payment - amendments to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4 Insurance Contracts - amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
IFRS 5 Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	July 01, 2018

		<b>Effective date (annual periods beginning on or after)</b>
IFRS 8	Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
IFRS 7	Financial Instruments : Disclosures - additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	July 01, 2018
Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:		
Annual Improvements to IFRSs (2014 – 2016) Cycle:		
IFRS 1	First-time Adoption of International Financial Reporting	January 01, 2018
IAS 28	Investments in Associates and Joint Ventures	January 01, 2018

### 3.3 Amendments not yet effective

The following amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.		January 01, 2020
IFRS 3	Business Combinations - amendments to clarify the definition of a business	January 01, 2020
IFRS 8	Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 9	Financial Instruments - amendments regarding prepayment features with negative compensation and modifications of financial liabilities negative compensation and modifications of financial liabilities	January 01, 2019
IAS 1	Presentation of Financial Statements - amendments regarding the definition of materiality	January 01, 2020

		Effective date (annual periods beginning on or after)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of materiality	January 01, 2020
IAS 19	Employee benefits - amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 17	Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 28	Investments in Associates and Joint Ventures - amendments regarding long-term interests in associates and joint ventures	January 01, 2019

The annual improvements to IFRSs that are effective from the dates mentioned below against respective standards:

Annual improvements to IFRSs (2015 – 2017) Cycle:

IFRS 3	Business Combinations	January 01, 2019
IFRS 11	Joint Arrangements	January 01, 2019
IAS 12	Income Taxes	January 01, 2019
IAS 23	Borrowing Costs	January 01, 2019

#### 3.4 Standards or interpretations not yet effective

The following new standards have been issued by the International Accounting Standards Board (IASB), which have been adopted locally by the Securities and Exchange Commission of Pakistan effective from the dates mentioned against the respective standard:

IFRS 16	Leases	January 01, 2019
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The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts

The Modaraba expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Modaraba's financial statements in the period of initial application.

### 3.5 IFRS 9: Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for accounting periods beginning on or after July 1, 2018.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

#### i. Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Modaraba's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Modaraba may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of Modaraba's financial assets as at July 1, 2018.

		Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
<b>Financial assets</b>	<b>Note</b>				
Receivables	(a)	Loans and receivables	Amortised cost	156,833,518	156,833,518
Loans, advances and other receivable	(a)	Loans and receivables	Amortised cost	2,615,532	2,615,532
Cash and bank balances	(a)	Loans and receivables	Amortised cost	46,122,049	46,122,049
				<u>205,571,099</u>	<u>205,571,099</u>

## ii. Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, NBF1 & Modaraba Association of Pakistan, based on the clarification of the SECP, have informed all its members that the provisioning criteria will remain those as framed under Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Rules & Regulations framed therein. Accordingly, the Modaraba has maintained provision against receivable in accordance with relevant laws applicable to Modaraba and its own accounting policies.

### 3.6 IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 supersedes the revenue recognition guidance within IAS 18 "Revenue" and the related interpretations. The Modaraba adopted IFRS 15 on July 1, 2018. Comparative information has not been restated as the impact on prior periods is not material.

Revenue represents income derived from contracts for the provision of services by the Modaraba to customers in exchange for consideration in the ordinary course of the Modaraba's activities. Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct service, or a series of distinct services, that are substantially the same and have the same pattern of transfer to the customer. Services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

The Modaraba's revenues are primarily earned from the services of ijarah rentals and operation and maintenance income and revenue is recognised when the performance obligation in the contracts with customers is satisfied, typically on receiving the meter reading of ijarah generators placed on customers' premises in case of ijarah rentals and recognition of monthly fixed amount as per agreement in case of operation and maintenance income. At the start of the contract the total transaction price is estimated as the amount of consideration to which the Modaraba expects to be entitled in exchange for rendering the services to the customer, including sales taxes. Any variable consideration is included based on the expected value, or most likely amount, only to the extent that it is highly probable that there will not be a reversal in the amount of revenue recognised. Total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative standalone selling prices.

#### 4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below:

##### 4.1 Revenue recognition

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

##### 4.1.1 Ijarah rentals

Ijarah rentals are recognised as income on an accrual basis, as and when rentals become due.

##### 4.1.2 Operation and maintenance services

Revenue from operation and maintenance services is recognised when the related services have been rendered.

##### 4.1.3 Income on deposit accounts with banks

Returns on bank deposits are recognized on accrual basis.

##### 4.2 Fixed assets

###### a Owned - in use

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

The cost of replacing part of an item of fixed asset is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Modaraba and its cost can be measured reliably. Normal repairs and maintenance are charged to profit and loss account as and when incurred; major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

#### Depreciation

Depreciation on fixed assets, other than generators is charged to profit and loss account applying straight line method over 1.5 to 10 years.

Generators are depreciated on straight line basis having useful life of 5 years.

Subsequent costs are included in the asset's carrying amount are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account as and when incurred. The residual values, useful life and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation is charged on additions from the month the asset is available for use and on disposals upto the month preceding the month of disposal.

#### b Ijarah Assets

These are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account as and when incurred. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

#### Depreciation

Depreciation on fixed assets, other than generators and certain machinery is charged to profit and loss account applying straight line method over 2 to 10 years.

Generators and certain machinery are depreciated on actual hours used or minimum standard hours calculated on the basis of life allotted to them, whichever is higher.

#### c Gains or losses on disposal

An item of fixed asset is derecognised upon disposal. Gains or losses on disposal of an item of fixed asset are recognised in the profit and loss account.

d Capital work in progress

Capital work-in-progress, if any, is stated at cost less accumulated impairment losses, if any, and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to the relevant category of fixed assets / ijarah assets as and when the assets are available for intended use.

4.3 Intangible assets

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

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

All intangible assets are estimated to have definite useful lives and are amortised using the straight line method over a period of 5 years. Amortisation on addition is charged from the month on which asset is available for use up to the month preceding the disposal of asset.

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

4.4 Financial instruments

4.4.1 Financial assets

Financial assets are recognized at the time when the Modaraba becomes the party to the contractual provisions of the instruments and derecognized when the Modaraba loses control of the contractual rights that comprises the financial assets. Any gain or loss on derecognition of financial assets are recognized in the profit and loss account.

The management of the Modaraba determines the appropriate classification of its financial assets at the time of purchase and these are initially recognized at fair value, which is the consideration given to acquire the assets.

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

The Modaraba classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Modaraba as at balance sheet date are carried at amortized cost.

#### 4.4.2 Amortized cost

A financial asset is measured at amortized cost if both the following conditions are met and is not designated at fair value through profit or loss:

- (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### 4.4.3 Financial liabilities

All financial liabilities are initially measured at cost, which is the fair value of the consideration received and subsequently measured at amortised cost. These financial liabilities are recognized at the time when the Modaraba becomes a party to the contractual provisions of the instrument, and derecognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities are recognized in profit and loss account.

#### 4.4.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Modaraba has a legally enforceable right to set-off the recognized amounts and also intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

### 4.5 Impairment

#### 4.5.1 Financial assets

Impairment is recognized by the Modaraba on the basis of provision requirements given under Prudential Regulations for Modaraba issued by Securities and Exchange Commission of Pakistan and subjective evaluation carried out on an ongoing basis.

#### 4.5.2 Non-financial assets

The Modaraba assesses at each balance sheet date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where impairment loss for asset subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income in profit and loss account.

#### 4.6 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, balances at banks in current and deposit accounts. Short term running finances, if any, that are repayable on demand and form an integral part of the Modaraba's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

#### 4.7 Taxation

##### 4.7.1 Current tax

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credit and tax rebates realisable, if any. Under clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, the non-trading income of modarabas is exempt from income tax, provided not less than 90% of its profits, after appropriation to statutory reserves as required under Modaraba Regulations, are distributed to the certificate holders.

##### 4.7.2 Deferred tax

The Modaraba accounts for deferred taxation on all material temporary differences using the liability method arising between the amounts attributed to assets and liabilities for financial reporting purposes and for taxation purposes. However, deferred tax liability has not been provided in these financial statements as the management believes that the future income of Modaraba will not be taxable in the foreseeable future due to the fact that the Modaraba intends to continue availing the tax exemption through profit distribution to the extent of 90 percent of distributable profit.

#### 4.8 Provisions

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

#### 4.9 Foreign currency translation

Foreign currency transactions during the period, if any, are translated into Pakistani Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies, if any, at the balance sheet date are translated into Pakistani Rupees at the rates of exchange prevailing on the balance sheet date. Exchange gains and losses on translation are included in profit and loss account.

#### **4.10 Profit distribution and other appropriations of profit**

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

#### **4.11 Earnings per certificate**

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

#### **4.12 Related party transactions**

All transactions with the related parties are priced on arm's length basis.

#### **4.13 Preliminary expenses and floatation costs**

Preliminary expenses and floatation costs represent expenses incurred in respect of issue of modaraba certificates to the public inclusive of cost of organization and floatation of the Modaraba, cost of printing, publication and distribution of prospectus, underwriting expenses, commission to the bankers to the issue and brokerage etc. This cost shall be amortized over the period of 3 years as per Third Schedule of Modaraba Companies and Modaraba Rules, 1981.

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

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

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

These are stated at amount receivable which is fair value of consideration receivable for services rendered, net of suspension and / provision. The provision is recognised based on judgement of the management and in accordance with the Prudential Regulations for Modarabas issued by the SECP, where applicable.

#### 4.16 Loans, advances and other receivable

These are stated at cost less provisions for impairment. An estimate is made for doubtful receivables (as provision) when collection of the amount is no longer probable. Full provision is made against the receivables considered doubtful. Receivables considered irrecoverable are written off.

#### 4.17 Staff retirement benefits

##### Defined contribution plan

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

#### 4.18 Creditors, accrued and other liabilities

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

#### 4.19 Segment reporting

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

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

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

#### 4.20 Diminishing musharaka financing payable

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

	<b>Note</b>	<b>2019 (Rupees)</b>	<b>2018 (Rupees)</b>
<b>5</b>			
<b>FIXED ASSETS</b>			
Operating fixed assets	5.1	1,187,432,747	1,124,555,645
Capital work in progress	5.3	8,313,161	-
		<u>1,195,745,908</u>	<u>1,124,555,645</u>

## 5.1 Operating fixed assets

Statement of fixed assets is as under:

Description	Machinery (Note 5.1.1)			OWN USE				Total			
	Generators	Accessories	Machinery & Equipment	Sub-total	Electronic Appliances	Motor Vehicle	Furniture and Fixtures		Generators	Leasehold Improvements	Sub-total
<b>Year ended June 30, 2019</b>											
<b>Net carrying value basis</b>											
Opening net book value	1,056,501,422	52,194,683	1,300,696,106	2,411,392	2,211,715	13,517,820	1,189,540	1,246,555,645		1,260,071,185	
Additions	96,244,438	23,905,016	23,328,813	345,058,067	9,194,593	2,070,900	3,119,105	1,619,444	27,208,206	44,097,208	
Disposals -1687	(2,564,533)		(2,564,533)								
Depreciation	(1,04,277,943)	(10,000,348)	(1,764,500)	(1,17,034,800)	(2,506,562)	(2,165,190)	(1,28,281)	(1,00,700)	(2,183,030)	(2,179,548)	
<b>Closing net book value</b>	1,047,893,382	65,167,881	31,564,271	1,334,655,536	8,981,646	14,343,326	3,992,894	1,530,564	25,025,168	32,272,208	1,187,633,742
<b>Gross carrying value basis</b>											
Cost	1,228,465,319	79,654,255	23,328,813	1,331,438,607	11,825,208	16,734,342	3,119,105	1,619,344	27,208,206	65,330,965	1,291,969,622
Accumulated depreciation	(180,551,937)	(14,486,374)	(1,764,500)	(1,96,283,118)	(2,843,562)	(2,391,016)	(829,210)	(1,00,700)	(2,183,030)	(2,753,157)	(204,536,731)
<b>Net book value</b>	1,047,913,382	65,167,881	31,564,271	1,334,655,536	8,981,646	14,343,326	3,992,894	1,530,564	25,025,168	32,272,208	1,187,432,742
<b>Period ended June 30, 2018</b>											
<b>Net carrying value basis</b>											
Opening net book value	1,132,755,434	55,688,969	1,388,444,343	2,585,715	2,585,715	15,867,442	1,643,157	1,204,877,500		1,206,520,657	
Additions	(76,254,017)	(3,494,238)	(79,748,256)	(244,000)	(244,000)	(3,256,176)	573,617	80,371,850		80,371,850	
Depreciation	(3,565,014)	(3,104,641)	(3,301,696,106)	(3,312,823)	(3,312,823)			(8,393,548)		(8,393,548)	
<b>Closing net book value</b>	1,053,026,400	49,089,490	1,305,395,987	2,338,892	2,338,892	12,611,266	1,616,774	1,196,455,602		1,208,072,476	
<b>Gross carrying value basis</b>											
Cost	1,132,755,434	55,688,969	1,388,444,343	2,585,715	2,585,715	13,867,442	1,643,157	1,204,877,500		1,206,520,657	
Accumulated depreciation	(76,254,017)	(3,494,238)	(79,748,256)	(244,000)	(244,000)	(3,256,176)	573,617	80,371,850		80,371,850	
<b>Net book value</b>	1,056,501,417	52,194,731	1,308,696,087	2,341,715	2,341,715	10,611,266	1,069,540	1,124,505,650		1,286,148,807	
<b>Life (years)</b>	Note 4.2	Note 4.2	Note 4.2	15%	20%	20%	20%	Note 4.2			

Bookup of depreciation is as follows:

Note	For the period from	For the period from	
		June 30, 2019	November 17, 2017 to June 30, 2018
23	Operating expenses	123,798,470	80,269,440
24	Administrative expenses	415,950	57,415
		<u>124,214,420</u>	<u>80,326,855</u>

5.1.1 This includes generators and related equipments acquired by the Modaraba amounting to Rs. 101,889 million (2018: Rs. 994.47 million) from Orient Energy Systems (Private) Limited, an associated company. (Note 25)

5.2 Detail of disposal of fixed assets is as follows:

June 30, 2019							
Particulars	Cost of asset	Accumulated depreciation	Carrying value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Purchaser
Rupees							
Items of net book value not below Rs. 500,000 each							
Generators	565,203	-	565,203	609,195	43,992	Negotiation	Raja Power
	1,135,146	-	1,135,146	1,223,499	88,353	Negotiation	Raja Power
	864,204	-	864,204	931,469	67,265	Negotiation	Raja Power
	<u>2,564,553</u>	<u>-</u>	<u>2,564,553</u>	<u>2,764,163</u>	<u>199,610</u>		

**5.3 Capital work-in-progress**

	Note	2019 (Rupees)	2018 (Rupees)
Civil works	5.3.1	3,913,287	-
Generators under overhauling		4,399,874	-
		<u>8,313,161</u>	<u>-</u>

	Civil work	Generators under overhauling	Total
	(Rupees)		
<b>Year ended June 30, 2019</b>			
Opening balance	-	-	-
Additions (at cost)	31,121,493	4,399,874	35,521,367
Transferred to operating fixed assets	(27,208,206)	-	(27,208,206)
Closing balance	<u>3,913,287</u>	<u>4,399,874</u>	<u>8,313,161</u>

5.3.1 This represents the construction of yard/workshop for the purpose of maintenance and service of generators located at Korangi Industrial Area, Karachi.

## 6 INTANGIBLE ASSETS

Software and license	513,195	-
Amortisation on software and license	(108,451)	-
	<u>404,744</u>	<u>-</u>

## 7 PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs	23,911,368	35,867,052
Less: Amortization of preliminary expense and floatation cost	(11,955,684)	(11,955,684)
	<u>11,955,684</u>	<u>23,911,368</u>

7.1 Preliminary expenses and floatation costs are being amortised over the period of 3 years as per Third Schedule of Modaraba Companies and Modaraba Rules, 1981.

	Note	2019 (Rupees)	2018 (Rupees)
<b>8 ADVANCES</b>			
Advance to supplier	8.1	-	20,360,949
8.1	This represented advance to Orient Energy Systems (Private) Limited, an associated company, for the purchase of generators and parts. However, the advance is adjusted against the services / parts received during the year.		
<b>9 LONG TERM DEPOSIT</b>			
Security deposit		4,698,000	-
<b>10 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores, Spare parts and loose tools	10.1	26,632,841	16,308,050
10.1	Spare parts and loose tools consists of items related to generators and machines.		
<b>11 RECEIVABLES</b>			
Unsecured			
Ijarah rentals receivables	11.1	116,755,041	110,734,488
Operation and maintenance income receivables	11.3	52,026,222	46,099,030
		<u>168,781,263</u>	<u>156,833,518</u>
11.1 Ijarah rentals receivables			
Considered good		89,513,124	110,734,488
Non-performing portfolio (classified portfolio)		50,114,170	9,959,104
Less: Provision against potential ijarah losses		(22,872,253)	(9,959,104)
		<u>27,241,917</u>	<u>-</u>
		<u>116,755,041</u>	<u>110,734,488</u>

	Note	2019 (Rupees)	2018 (Rupees)
<b>11.2 Provision against potential ijarah losses</b>			
Opening balance		9,959,104	-
Charged during the year		19,349,051	9,959,104
Reversal during the year		(6,435,902)	-
Closing balance		<u>22,872,253</u>	<u>9,959,104</u>
<b>11.3 Operation and maintenance income receivable</b>			
Considered good		50,988,253	46,099,030
Non-performing portfolio (classified portfolio)		24,667,114	11,449,050
Less: Provision against potential loss on operation and maintenance income receivable		(23,629,145)	(11,449,050)
		1,037,969	-
		<u>52,026,222</u>	<u>46,099,030</u>
<b>11.4 Provision against potential loss on operation and maintenance income receivable</b>			
Opening balance		11,449,050	-
Charged during the year		21,539,145	11,449,050
Reversal during the year		(9,359,050)	-
Closing balance		<u>23,629,145</u>	<u>11,449,050</u>

	Note	2019 (Rupees)	2018 (Rupees)
<b>12 LOANS, ADVANCES AND OTHER RECEIVABLE</b>			
Insurance claim receivable		2,606,759	-
Sales tax adjustable	12.1	14,532,622	36,358,329
Loans and advances to staff	12.2	5,225,297	1,125,617
Earnest money		2,548,935	819,459
Advances and prepayments	12.3	9,858,225	2,508,969
Security deposit		787,422	440,000
Profit receivable from bank		70,337	230,456
		<u>35,629,597</u>	<u>41,482,830</u>
12.1	This amount includes sales tax input adjustable on account of purchase of fixed assets.		
12.2	This includes an amount of Rs. 1,650 million related to advance against expenses and Rs. 3,574 million related to loan to staff which is secured against staff provident fund.		
12.3	This includes Rs. 0.088 million receivable from Eman Management (Private) Limited, an associated company.		
<b>13 TAX REFUNDS DUE FROM GOVERNMENT</b>			
Advance income tax		<u>124,674,355</u>	<u>32,660,834</u>

The income of the Modaraba is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Furthermore, the Modaraba is exempt under clause 47(b) of part IV of Second Schedule of ITO 2001 from withholding of tax under sections 151 and 153 of ITO 2001 and also the Modaraba is exempt under section 236Q from withholding tax from payment by way of advance to a resident person for use or right to use industrial, commercial and scientific equipment. The Federal Board of Revenue through a circular 'C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R' dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). During the year, prior to receiving tax exemption certificate(s) from CIR, various withholding agents have deducted advance tax under sections 151 and 153 of ITO 2001. The management is in the process of submitting application for refund.

	Note	2019 (Rupees)	2018 (Rupees)
<b>14 CASH AND BANK BALANCES</b>			
Cash in hand		37,905	-
Balances with banks			
Current accounts		3,697,052	1,059,737
Deposit accounts	14.1	35,130,749	45,062,312
		38,827,801	46,122,049
		<u>38,865,706</u>	<u>46,122,049</u>

14.1 These balances carry profit at rates ranging from 4.15% to 4.69% per annum (2018: 3.5% to 5%).

**15 ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL**

2019 (Number of certificates)	2018 (Number of certificates)		2019 (Rupees)	2018 (Rupees)
<u>75,000,000</u>	<u>75,000,000</u>	Modaraba certificates of Rs. 10 each fully paid in cash	<u>750,000,000</u>	<u>750,000,000</u>

15.1 Eman Management (Private) Limited (the Management Company) held 7,500,000 (10%) certificates of Rs. 10 each as at June 30, 2019 (2018: 7,500,000).

**16 STATUTORY RESERVE**

Statutory reserve represents profits set aside to comply with the Prudential Regulations for Modarabas issued by Securities and Exchange Commission of Pakistan. These regulations require a Modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that reserves equal 100% of the paid-up capital. Thereafter, a sum not less than 5% of after tax profit is to be transferred. During the current year, the Modaraba has transferred an amount of Rs. 20.547 million (2018: Rs. 14.300 million) which represents 20% (2018: 20%) of the profit after tax.

		<b>2019</b> <b>(Rupees)</b>	<b>2018</b> <b>(Rupees)</b>
<b>17</b>	<b>DIMINISHING MUSHARAKA FINANCING</b>		
	(Secured)		
	Diminishing musharaka financing	451,250,000	460,000,000
	Due within one year	<u>(160,000,000)</u>	<u>(48,750,000)</u>
		<u>291,250,000</u>	<u>411,250,000</u>
17.1	Movement in diminishing musharaka financing		
	Balance as at July 01, 2018	460,000,000	-
	Diminishing musharaka financing obtained during the year / period	40,000,000	460,000,000
	Repaid during the year / period	<u>(48,750,000)</u>	<u>-</u>
	Balance as at June 30, 2019	<u>451,250,000</u>	<u>460,000,000</u>
17.2	The diminishing musharaka financing is for a period of 4 years and is secured against hypothecation of generators and accessories. This finance carries profit at the rate of 1 year KIBOR + 1.5% per annum payable on quarterly basis commencing from the date of disbursement. Principal repayments are on quarterly basis commencing after one year from the date of disbursement.		
<b>18</b>	<b>PAYABLE TO MODARABA MANAGEMENT COMPANY</b>		
	Remuneration payable to Management Company	26	11,818,671
	Sindh sales tax payable on remuneration of Management Company	26	1,069,316
	Reimbursement of expenses	18.1	-
		<u>14,424,414</u>	<u>10,593,601</u>
18.1	This represents preliminary expenses and floatation costs payable to Modaraba Management Company. During the year, the expenses have been repaid to Modaraba Management Company.		

		2019 (Rupees)	2018 (Rupees)
19	<b>CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
	Creditors for spare parts and fixed assets	117,257,596	82,584,987
	ijarah rental payable	23,103,792	23,223,750
	Services and maintenance charges payable	15,911,070	15,076,585
	Advances / deposits from customer	19,643,030	10,373,344
	Withholding income and sales tax payable	8,624,014	9,765,680
	Accrued liabilities	25,218,185	22,726,448
	Payable to Provident Fund	3,849,443	-
	Accrued profit on diminishing musharaka financing	8,240,423	4,930,582
	Provision for Sindh Workers' Welfare Fund	3,555,837	1,459,205
	Provision for bonus	43,720,995	-
		<u>269,124,385</u>	<u>170,140,581</u>

19.1 This amount includes Rs. 38.248 million (2018: Rs. 47.835 million) in respect of purchase of spare parts and loose tools and Rs. 43.160 million (2018: Rs. 3.978 million) in respect of purchase / overhauling of generators, payable to Orient Energy Systems (Private) Limited, an associated company.

19.2 This amount represents service and maintenance charges payable to Orient Energy Systems (Private) Limited, an associated company.

19.3 This amount includes Rs. 9.171 million (2018: Rs. 2.119 million) payable to Orient Energy Systems (Private) Limited, an associated company in respect of IT, administration and other reimbursements.

19.4 The Company operates defined contribution provident fund (the Fund) maintained for its permanent employees. Registration of the fund is in progress. Equal monthly contributions at the rate of 10% of the basic salary are made to the Fund both by the Company and the employees.

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

## 20 CONTINGENCIES AND COMMITMENTS

### 20.1 Contingencies

There were no contingencies as at June 30, 2019 and June 30, 2018.

### 20.2 Commitments

#### 20.2.1 Contractual rentals receivable on Ijarah contracts

Future minimum ijarah receivables on the basis of ijarah agreements executed up to June 30, 2019 are as follows:

	2019 (Rupees) Ijarah rentals receivables	2018 (Rupees) Ijarah rentals receivables
Receivables - not later than one year	316,834,646	289,074,623
Receivables - later than one year and not later than five years	8,030,000	90,842,977
	<u>324,864,646</u>	<u>379,917,600</u>
	Operation and maintenance income receivables	Operation and maintenance income receivables
Receivables - not later than one year	80,231,058	101,471,838
Receivables - later than one year and not later than five years	-	-
	<u>80,231,058</u>	<u>101,471,838</u>

#### 20.2.2 Contractual rentals payable on Ijarah contracts

In previous period, the Modaraba has obtained 71 generators on Ijarah from ORIX Leasing Pakistan Limited (OLP) for a period of three years with quarterly rental installment of Rs. 46.45 million. During the year two generators are returned and new quarterly installment is revised to Rs. 46.087 million. M/s Orient Energy Systems (Private) Limited has provided bank (performance) guarantee to ORIX Leasing Pakistan Limited amounting to Rs. 55.74 million on behalf of the Modaraba. Future minimum ijarah payables on the basis of Ijarah agreements executed up to June 30, 2019 (June 30, 2018) are as follows:

		Ijarah rentals payables	Ijarah rentals payables
		184,350,504	185,790,000
		92,175,252	278,685,000
		<u>276,525,756</u>	<u>464,475,000</u>
			For the period from November 17, 2017 to June 30, 2018 (Rupees)
		June 30, 2019 (Rupees)	
21	<b>IJARAH RENTALS - NET</b>		
		Note	
	Ijarah rentals	21.1	878,827,550
	Less: Sales tax		(37,289,502)
			<u>841,538,048</u>
			<u>430,367,281</u>
21.1	This includes sub-ijarah income amounting to Rs. 403.298 million (2018: Rs. 134.906 million).		
22	<b>OPERATION AND MAINTENANCE INCOME - NET</b>		
	Operation and maintenance income		485,279,570
	Less: Sales tax		(52,056,219)
			<u>433,223,351</u>
			<u>214,993,872</u>
23	<b>OPERATING EXPENSES</b>		
	Salaries and allowances	23.1	534,374,935
	Repair, maintenance and related cost	23.2	130,345,244
	Depreciation	5.1	123,798,470
	Ujrah payments	23.3	178,392,401
	Insurance		46,602,475
	Travelling and conveyance		12,147,975
			<u>1,025,661,500</u>
			<u>186,927,876</u>
			<u>145,092,822</u>
			<u>80,269,440</u>
			<u>35,575,693</u>
			<u>19,477,901</u>
			<u>2,909,692</u>
23.1	This includes contribution of Rs. 9.741 million (2018: Rs. 3.617 million) to the staff provident fund.		
23.2	This amount includes consumable parts and loose tools purchased, service and maintenance charges and other miscellaneous charges amounting to Rs. 40.808 million (2018: Rs. 53.887 million), Rs. 31.547 million (2018: Rs. 15.077 million) and Rs. Nil (2018: Rs. 2.00 million) respectively, acquired from Orient Energy Systems (Private) Limited, an associated company.		

23.3 This represents quarterly installments paid to ORIX Leasing Pakistan Limited against 69 (2018: 71) generators obtained on Ijarah.

	Note	June 30, 2019 (Rupees)	For the period from November 17, 2017 to June 30, 2018 (Rupees)
<b>24 ADMINISTRATIVE EXPENSES</b>			
Salaries and allowances	24.1	24,164,665	6,490,283
Education and training		138,845	91,095
Utilities, postage and communication		3,298,551	1,362,235
Printing and stationary		1,187,692	1,039,969
Depreciation	5.1	415,950	52,415
Fee and subscription		1,125,181	1,061,679
Legal and professional charges		4,926,460	2,790,342
Advertisement		1,590,382	-
Cleaning and maintenance		1,400,780	-
Auditors' remuneration	24.2	442,400	422,500
Security charges		765,914	-
IT related services		1,802,350	-
Amortisation on intangible assets	6	108,451	-
Other expenses		573,777	618,287
		<u>41,941,398</u>	<u>13,928,805</u>
24.1 This includes contribution of Rs. 0.851 million (2018: Rs. 0.148 million) to the staff provident fund.			
24.2 Auditors' Remuneration			
Annual fee		250,000	250,000
Half yearly review fee		125,000	125,000
Certification fee		32,400	10,000
Out of pocket expenses		35,000	37,500
		<u>442,400</u>	<u>422,500</u>
<b>25 FINANCE COST</b>			
Financial charges on Diminishing Musharaka Financing		48,978,314	16,555,582
Bank charges		200,653	171,580
		<u>49,178,967</u>	<u>16,727,162</u>

## 26 MODARABA MANAGEMENT COMPANY'S FEE

In accordance with the Modaraba Companies and Modaraba Rules, 1981, the Modaraba has accrued management fee at the rate of 10% of profits during the year which is payable to the Modaraba Management Company amounting to Rs. 11.818 million (2018: Rs. 8.226 million). Furthermore, during the current year, an amount of Rs. 1.536 million (2018 Rs. 1.069 million) at the rate of 13% was charged on account of sales tax on management fee levied under Sindh Sales Tax on Services Act, 2011.

## 27 TAXATION

As per the Second Schedule to the Income Tax Ordinance, 2001, any income, not being income from manufacturing or trading activity of a Modaraba registered under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, is exempt from income tax provided that it distributes at least 90% of its profits to its certificate holders for the year after making appropriation to statutory reserves. The Modaraba intends to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation to statutory reserves for the year ended June 30, 2019. Accordingly, no provision in respect of current and deferred taxation has been made in these financial statements.

	June 30, 2019 (Rupees)	For the period from November 17, 2017 to June 30, 2018 (Rupees)
Note		

## 28 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

The earnings per certificate as required under IAS 33 "Earnings per share" is given below:

Profit for the year / period	<u>102,734,977</u>	<u>71,501,061</u>
Weighted average number of certificates outstanding	<u>75,000,000</u>	<u>75,000,000</u>
Earnings per certificate - Basic and diluted (Rupees)	<u>1.37</u>	<u>0.95</u>

28.1 There were no convertible dilutive potential ordinary certificates outstanding as on June 30, 2019 which have dilutive effect on earnings per certificate.

## 29 REMUNERATION TO THE EXECUTIVE OFFICER AND EMPLOYEES

The aggregate amount charged in the financial statements for remuneration, including all benefits to Executives and other employees of the Modaraba is as follows:

	Executives		Other employees		Total	
	June 30, 2019	For the period from November 17, 2017 to June 30, 2018	June 30, 2019	For the period from November 17, 2017 to June 30, 2018	June 30, 2019	For the period from November 17, 2017 to June 30, 2018
	Rupees					
Basic salary	36,092,678	14,199,687	241,141,417	88,258,261	277,234,095	102,457,948
Bonus	5,180,609	1,365,341	38,540,385	8,156,162	43,720,994	9,521,503
House rent allowance	15,470,230	6,389,876	107,542,932	39,716,096	123,013,162	46,105,972
Utility allowance	3,437,836	1,419,977	23,898,367	8,825,938	27,336,203	10,245,915
Vehicle allowance	6,514,035	2,156,000	7,142,170	1,415,000	13,656,205	3,571,000
Conveyance allowance	-	-	1,629,688	472,061	1,629,688	472,061
Provident fund	3,307,937	1,190,368	7,283,865	2,575,216	10,591,802	3,765,584
Contribution to Employees' old age benefit	40,300	36,400	18,783,917	3,244,150	18,824,217	3,280,550
Medical benefits	2,458,927	895,929	9,325,022	3,306,359	11,783,949	4,202,288
Others	319,379	128,400	30,429,906	9,666,938	30,749,285	9,795,338
	<u>72,821,931</u>	<u>27,781,978</u>	<u>485,717,669</u>	<u>165,636,181</u>	<u>558,579,600</u>	<u>193,418,139</u>
Number of persons	13	12	1437	1179	1450	1191

## 30 UTILIZATION OF PROCEEDS OF INITIAL PUBLIC OFFERING

The break-up of utilization of proceeds of initial public offering is being presented under the requirements of Regulation 16 of Chapter VIII of Public Offering Regulations, 2017. The Modaraba has utilized the proceeds from initial public offering as follows:

	June 30, 2019 (Rupees)	For the period from November 17, 2017 to June 30, 2018 (Rupees)
Proceeds realized	<u>750,000,000</u>	<u>750,000,000</u>
Purchase of plant and equipment (inclusive of sales tax)	750,000,000	649,079,000
Held for working capital, purchase of additional assets and reimbursement of preliminary expenses	-	100,921,000
	<u>750,000,000</u>	<u>750,000,000</u>

## 31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Modaraba's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the Modaraba's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed, based on limits established by the Modaraba Management Company, Modaraba's constitutive documents and the regulations and directives of the SECP. The Modaraba's activities expose it to a variety of financial risks: market risk (including profit rate risk, equity price risk and fair value risk), credit risk and liquidity risk. The Board of Directors of the Modaraba Management Company has overall responsibility for the establishment and oversight of the Modaraba's risk management framework.

The Modaraba's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Modaraba's financial performance.

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

### 31.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices.

### 31.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

### 31.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Modaraba does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

### 31.4 Liquidity risk

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

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

June 30, 2019	Profit rate	Six months or less	Six to Twelve months	One to five years	Over five years	Total contractual cash flows
Rupees						
Diminishing musharaka financing	1 year KIBOR + 1.5%	76,666,667	83,333,333	291,250,000	-	451,250,000
Payable to Modaraba Management Company		11,818,671	-	-	-	11,818,671
Creditors, accrued and other liabilities		168,637,324	-	-	-	168,637,324
Dividend payable		103,261	-	-	-	103,261
<b>Total</b>		<b>257,225,923</b>	<b>83,333,333</b>	<b>291,250,000</b>	<b>-</b>	<b>631,809,256</b>
Rupees						
June 30, 2018	Profit rate	Six months or less	Six to Twelve months	One to five years	Over five years	Total contractual cash flows
Rupees						
Diminishing musharaka financing	1 year KIBOR + 1.5%	-	48,750,000	411,250,000	-	460,000,000
Payable to Modaraba Management Company		10,593,601	-	-	-	10,593,601
Creditors, accrued and other liabilities		126,090,904	-	-	-	126,090,904
<b>Total</b>		<b>136,684,505</b>	<b>48,750,000</b>	<b>411,250,000</b>	<b>-</b>	<b>596,684,505</b>

### 31.5 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Modaraba by failing to discharge its obligation. The Modaraba's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines, offering document and regulatory requirements. The table below analyses the Modaraba's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	2019 (Rupees)	2018 (Rupees)
Receivables	168,781,263	156,833,518
Loans, advances and other receivable	15,936,750	2,615,532
Bank balances	38,827,801	46,122,049
	<b>223,545,814</b>	<b>205,571,099</b>

The credit risk on liquid funds is limited because the counter parties are banks with reasonable high credit ratings.

The Modaraba believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties.

All the receivables at the reporting date represent domestic parties. The ageing of receivables at the year-end was as follows:

Not past due	100,740,449	121,523,399
past due by 0 to 90 days	39,760,928	56,718,273
past due by 90 to 180 days	15,797,725	-
past due by 180 to 360 days	55,289,559	-
past due by 360 days	3,694,000	-
	<u>215,282,661</u>	<u>178,241,672</u>
Less: Provision against potential Ijarah losses and operation and maintenance income	(46,501,398)	(21,408,154)
	<u>168,781,263</u>	<u>156,833,518</u>

The Modaraba places its surplus funds with banks carrying good credit standing assessed by reputable credit agencies. As at June 30, 2019 the Modaraba has placed funds with banks having credit ratings as follows:

	Rating Agency	Short term	Long term
Bank Islami Limited	PACRA	A-1	A+
Habib Bank Limited	JCR - VIS	A-1+	AAA
National Bank Limited	JCR - VIS	A-1+	AAA
National Bank Limited	PACRA	A-1+	AAA
MCB Islamic Bank Limited	PACRA	A	A-1
Askari Bank Limited	PACRA	A1+	AA +
Bank of Khyber Limited	PACRA	A1	A
Bank of Khyber Limited	JCR-VIS	A-1	A
Meezan Bank Limited	JCR-VIS	A-1+	AA +

### 31.6 Financial instruments by category

Financial assets at amortised cost		
Receivables	168,781,263	156,833,518
Loans, advances and other receivable	15,936,750	2,615,532
Bank balances	38,827,801	46,122,049
	<u>223,545,814</u>	<u>205,571,099</u>
Financial liabilities at amortised cost		
Diminishing musharaka financing	451,250,000	460,000,000
Payable to Modaraba Management Company	11,818,671	10,593,601
Creditors, accrued and other liabilities	168,637,324	126,090,904
Dividend payable	103,261	-
	<u>631,809,256</u>	<u>596,684,505</u>

## 32 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value as the items are short term in nature.

The carrying values of all financial assets and liabilities reflected in the financial statements are approximate to their fair values. Fair value is determined on the basis of the objective evidence at each required date. The following table compares the carrying amounts and fair values of the Modaraba's financial assets and financial liabilities as at June 30, 2019.

	2019		2018	
	Carrying amount Rupees	Fair value Rupees	Carrying amount Rupees	Fair value Rupees
<b>Financial assets at amortised cost</b>				
Receivables	168,781,263	168,781,263	156,833,518	156,833,518
Advances and other receivables	15,936,750	15,936,750	2,615,532	2,615,532
Cash and bank balances	38,865,706	38,865,706	46,122,049	46,122,049
<b>Financial liabilities at amortised cost</b>				
Diminishing musharaka financing	451,250,000	451,250,000	460,000,000	460,000,000
Payable to Modaraba Management Company	11,818,671	11,818,671	10,593,601	10,593,601
Creditors, accrued and other payables	168,637,324	168,637,324	126,090,904	126,090,904
Dividend payable	103,261	103,261	-	-

### 32.1 Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

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

There were no financial instruments held by the Modaraba which are measured at fair value as of June 30, 2019.

### 33 CAPITAL RISK MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for certificate-holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit distributed to certificate holders, issue new certificates or sell assets to reduce debt and transfer amount to statutory reserve.

The Modaraba's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

### 34 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASHFLOWS ARISING FROM FINANCING ACTIVITIES

Description	Liabilities	Total
	Diminishing musharaka financing	
(Rupees)		
<b>Balance as at July 1, 2018</b>	460,000,000	460,000,000
Addition to diminishing musharaka financing	40,000,000	40,000,000
Repayment of diminishing musharaka financing	(48,750,000)	(48,750,000)
Movement of liabilities to cash flows	(8,750,000)	(8,750,000)
<b>Balance as at June 30, 2019</b>	<b>451,250,000</b>	<b>451,250,000</b>

### 35 RELATED PARTY TRANSACTIONS

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

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

A number of transactions are entered into with related parties in the normal course of business. These include purchase of assets and sharing of common expenses, if any.

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

Name of Related Party	Relationship with the Modaraba	Nature of transactions	For the period from	
			2019	November 17, 2017 to June 30, 2018
			Rs.000	Rs.000
<b>During the Year / Period</b>				
Associated Company Orient Energy Systems (Private) Limited	Associated undertaking (Common directorship)	Purchase / overhauling of generators Purchase of accessories Purchase of motor vehicles Purchase of machinery and equipment Purchase of electronic appliances Purchase of spare parts and loose tools Service and maintenance charges Reimbursement of expenses Advance rent from customer and staff Rental for generators	70,083,400 14,704,287 -	936,200,343 36,709,000 10,043,342
			17,042,000	-
			-	1,431,044
			28,111,909	53,896,629
			31,547,639	15,076,985
			-	2,090,000
			2,798,185	-
			45,767,080	-
<b>35.1</b>	<b>Year end balances</b>			
Employees' Provident Fund Trust	Post employee benefit plan	Contribution for the year Dividend paid	10,591,802 -	1,765,584 -
Modaraba Management Company Eman Management (Private) Limited	Associated undertaking (Modaraba Management Company)	Preliminary expenses, flotation costs and reimbursement of expenses Dividend paid	- 1,178,000	23,142,750 -
Directors	Directors of Management Company	Dividend paid	8,675,000	-
Key management personnel	Key management personnel	Remuneration Contribution to provident fund Dividend paid	24,018,963 1,308,624 6,900	7,599,096 561,389 -
Associated Company Orient Energy Systems (Private) Limited		Payable against purchase of spare parts and loose tools Payable against service and maintenance charges Payable against purchase / overhauling of generator Payable against re-emburment of expenses Receivable against services rendered Advance against purchase of generators	28,248,278 15,911,070 43,159,883 8,170,837 5,534,754 -	47,833,040 15,076,985 2,074,000 2,119,507 -
Modaraba Management Company Eman Management (Private) Limited		Management fees payable Preliminary expenses, flotation costs and reimbursement of expenses Receivable against P90 fleet charges	11,818,673 -	8,225,509 1,205,776
Directors	Directors of Management Company	Outstanding certificate 12,500,000 (2018: 12,500,000)	88,113 125,000,000	- 125,000,000
Key management personnel	Key management personnel	Outstanding certificate 10,000 (2018: 10,000)	100,000	100,000

### 36 SEGMENT INFORMATION

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

The Modaraba has determined the operating segments based on the reports reviewed by the Chief Executive Officer, which are used to make strategic decisions.

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

The internal reporting provided to the Chief Executive Officer for the Modaraba's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The Modaraba's operating segments consists of rental business (operating lease) and maintenance business (operation and maintenance income). There were no changes in the reportable segments during the year. The Modaraba is domiciled in Pakistan. All of the Modaraba's income is from entities incorporated in Pakistan.

The Modaraba has a diversified product portfolio whereby resources have been allocated.

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

	Ijarah rentals 2019 Rupees	Operation and maintenance 2019 Rupees	Total 2019 Rupees
<b>Segment revenues / profits</b>			
Revenue	841,538,048	433,223,351	1,274,761,399
Costs	763,087,112	395,751,331	1,158,838,443
Reportable segment profit	78,450,936	37,472,020	115,922,956
Other operating income			2,263,751
Management fees, sales tax and Sindh WWF			(15,451,730)
Net Profit			<u>102,734,977</u>
<b>Segment assets and liabilities</b>			
<b>Reportable segment assets</b>			
Spare parts	26,632,841	-	26,632,841
Receivables	116,755,041	52,026,222	168,781,262
Loans, advances and other receivable	22,970,274	7,884,873	30,855,147
Tax refunds due from Government	80,738,088	42,251,724	122,989,812
Ijarah fixed assets	1,134,655,539	-	1,134,655,539
Capital work-in-progress	8,313,161	-	8,313,161
<b>Reportable segment liabilities</b>			
Diminishing Musharaka	451,250,000	-	451,250,000
Creditors, accrued and other liabilities	175,037,880	2,489,055	177,526,935
Unallocated liabilities			91,597,450
Total Liabilities			<u>269,124,385</u>

37 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Modaraba Management Company in their meeting held on September 27, 2019 have approved profit distribution at the rate of 10% i.e. Re 1.00 (2018: 6.9% i.e. Re. 0.69) per certificate for the year ended June 30, 2019. These financial statements do not reflect this distribution.

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 27, 2019 by the Board of Directors of the Eman Management (Private) Limited.

39 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the year.

40 NUMBER OF EMPLOYEES

The number of employees as at year end was 1,134 (2018: 1,148).

41 GENERAL

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

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

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer



**PATTERN OF CERTIFICATE HOLDING**  
As of June 30, 2019

Number of Certificate holders	Certificate Holdings			Total Certificate Held
28	1	to	100	445
144	101	to	500	68,038
76	501	to	1000	75,611
283	1001	to	5000	724,046
91	5001	to	10000	611,973
40	10001	to	15000	477,799
10	15001	to	20000	169,970
15	20001	to	25000	308,595
6	25001	to	30000	165,403
5	30001	to	35000	166,810
6	35001	to	40000	221,187
4	40001	to	45000	163,602
7	45001	to	50000	327,170
2	50001	to	55000	106,758
1	60001	to	65000	63,387
4	65001	to	70000	266,892
4	95001	to	100000	400,000
1	110001	to	115000	110,446
1	195001	to	200000	196,833
1	250001	to	255000	254,723
1	265001	to	270000	266,893
1	400001	to	405000	400,339
5	1000001	to	1005000	5,004,235
1	1100001	to	1105000	1,100,932
3	1200001	to	1205000	3,603,051
1	1330001	to	1335000	1,334,463
1	1400001	to	1405000	1,401,186
1	1430001	to	1435000	1,434,325
1	1490001	to	1495000	1,494,186
1	1600001	to	1605000	1,601,356
1	1665001	to	1670000	1,668,079
2	3335001	to	3340000	6,672,314
1	4995001	to	5000000	5,000,000
4	6245001	to	6250000	25,000,000
1	6635001	to	6640000	6,638,953
1	7495001	to	7500000	7,500,000
<b>755</b>				<b>75,000,000</b>

## سالانہ رپورٹ کی ترسیل بذریعہ ڈی ڈی وی ڈی ایو ایس بی

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے ایس آر او نمبر 470(I)/2016 بحریہ 21 مئی 2016 اور ایس آر او 787(I)/2014 بحریہ 8 ستمبر 2014 کے سلسلے میں اور منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے اجلاس منعقدہ 26 ستمبر 2018 میں منظوری کے بعد رجسٹرار مضاربہ، اسپیشلائزڈ کمپنیز ڈویژن، ایس ای سی پی کی منظوری سے مشروط، مضاربہ اپنی سالانہ بیلنس شیٹ مع نفع نقصان کے حسابات، آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ (سالانہ آڈٹ شدہ حسابات) اپنے ممبرز کو ڈی ڈی وی ڈی ایو ایس بی کے ذریعہ ان کے رجسٹریٹوں پر ارسال کرے گا سوائے ان کے جو سالانہ آڈٹ شدہ حسابات کی ہارڈ کاپی حاصل کرنے کے خواہشمند ہوں۔ الیکٹرونک ترسیل کیلئے معیاری درخواست فارم مضاربہ کی ویب سائٹ [www.orientmodaraba.com](http://www.orientmodaraba.com) پر دستیاب ہے۔

### آڈیٹرز

آڈٹ کمپنی کی سفارشات پر بورڈ نے میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو باہمی منفقہ مشاہرے پر 30 جون 2020 کیلئے دوبارہ تقرری کی منظوری دیدی ہے جو رجسٹرار آف مضاربہ کمپنیز اور مضاربہ جات کی منظوری سے مشروط ہے۔

### اعتراف

بورڈ رجسٹرار مضاربہ سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، کنسلٹنٹس اور ڈیولپمنٹس کا شکر گزار ہے جنہوں نے مضاربہ کی وقتاً فوقتاً رہنمائی فرمائی۔

بورڈ اپنے سرٹیفکیٹ ہولڈرز کا بھی ممنون ہے جنہوں نے اورینٹ گروپ پر اپنے اعتماد کا اظہار کیا اور بورڈ اپنے ہر ملازم کی محنت اور کاوشوں کا بھی معترف اور شکر گزار ہے جنہوں نے صارفین کی توقع کے مطابق معیاری خدمات فراہم کی اور مضاربہ کے کاروباری ترقی کو یقینی بنایا۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر  
27 ستمبر 2019

## ڈائریکٹرز کی ٹریننگ کا پروگرام

بورڈ کارپوریٹ گورننس کے ضابطوں پر عمل درآمد کیلئے پر عزم ہے اور ڈائریکٹرز کی ٹریننگ کے پروگرام کا منصوبہ بنا رہی ہے۔

## متعلقہ پارٹی سے لین دین

ضابطوں کی شرائط کے مطابق مضاربہ نے تمام متعلقہ پارٹیز کے لین دین کو آڈٹ کمیٹی اور بورڈ کے سامنے بالترتیب ان کے جائزے اور منظوری کیلئے پیش کر دیا ہے۔

## اندرونی مالیاتی کنٹرول

ڈائریکٹرز اندرونی مالیاتی کنٹرول سے متعلق اپنی ذمہ داری سے بخوبی آگاہ ہیں۔ انہوں نے مینجمنٹ اور آڈیٹرز (اندرونی اور بیرونی) کے ساتھ گفت و شنید کے بعد تصدیق کی ہے کہ مضاربہ نے کنٹرول کو درست طریقے سے نافذ کیا ہے۔

## دیگر بعد کے معاملات

مالی سال اور اس رپورٹ کی تاریخ کی مدت کے دوران میں کوئی ایسی بڑی تبدیلی نہیں ہوئی نہ وعدے کئے گئے جس سے کمپنی کی مالیاتی حیثیت پر کوئی اثر پڑتا ہو۔

## ٹان ایگزیکٹو ڈائریکٹرز کے مشاہرے کی پالیسی

ٹان ایگزیکٹو ڈائریکٹرز اور خود مختار ڈائریکٹرز کے کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کی فیس کا تعین بورڈ وقتاً فوقتاً کرتا رہتا ہے۔

## شرعیہ ایڈوائزری رپورٹ

مضاربہ ضرورت کے مطابق اپنے شرعیہ ایڈوائزری مفتی ابراہیم عیسیٰ سے رہنمائی حاصل کرتا ہے۔ نیز اندرونی آڈٹ ڈپارٹمنٹ کو بھی مضاربہ کے روزمرہ کے مسائل کے حل کیلئے شرعیہ پالیسیز اور اصولوں کی پابندی کو یقینی بنانے کی تربیت دی گئی ہے۔ مضاربہ کی 30 جون 2019 کو ختم ہونے والی مدت کی شرعیہ ایڈوائزری رپورٹ اس رپورٹ کے ساتھ منسلک ہے۔

## کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک

بورڈ آف ڈائریکٹرز بمسرت مطلع کرتا ہے کہ

- مضاربہ کی انتظامیہ کے تیار کردہ مالیاتی گوشواروں میں اس کے معاملات کی شفافیت، اس کے آپریشنز کے نتائج، رقم کے بہاؤ اور ایکویٹی میں تبدیلی کو اچھے طریقے سے پیش کیا گیا ہے۔
- مضاربہ کے حسابات کے کھاتوں کو درست طور پر مرتب کیا گیا ہے۔
- مالیاتی اسٹیٹمنٹ اور حسابات کے تخمینہ کی تیاری میں ہر جگہ حسابات کی پالیسی کو درست طور پر استعمال کیا گیا ہے اور حسابات کے تخمینوں میں معقولیت اور دانائی پر مبنی فیصلے کئے گئے ہیں۔
- مالیاتی اسٹیٹمنٹ کی تیاری میں پاکستان میں مضاربہ پر لاگو اور موثر بین الاقوامی مالیاتی رپورٹنگ کے معیارات کو مد نظر رکھا گیا ہے۔
- داخلی کنٹرول کا نظام بالکل درست ہے اور اندرونی آڈٹ اس کا مستقل جائزہ لیتا رہتا ہے۔ جائزے کا طریقہ کار جاری رہے گا اور کنٹرولز میں کسی کمزوری کے ظاہر ہونے پر اسے دور کر دیا جائے گا۔
- ادارے کے موجودہ حیثیت میں کام جاری رکھنے کے لئے مضاربہ کی صلاحیت میں کوئی نمایاں شبہ نہیں ہے۔
- اس مدت کی بنیادی آپریٹنگ اور مالیاتی معلومات اختصار کے ساتھ اس سالانہ رپورٹ میں درج ہیں۔
- 30 جون 2019ء کو ٹیکسز، ڈیویڈنڈ، محصولات اور چارجز کی مد میں کوئی قانونی واجب الادا رقم نہیں ہے، سوائے ان کے جن کو مالیاتی حسابات میں ظاہر کیا گیا ہے۔
- مضاربہ کے ایمپلائز کے پراویڈنٹ فنڈ کا معاملہ رجسٹریشن کے مرحلے میں ہے۔ 30 جون 2019ء کو فنڈ کی رقم 20,909,154 روپے ہے (30 جون 2018: 7,531,168 روپے)۔

## بورڈ کے اجلاس کا مقام

مذکورہ مدت کے دوران میں بورڈ کے تمام اجلاس کراچی میں منجمنٹ کمپنی کے دفتر میں منعقد ہوئے اور کوئی بھی اجلاس پاکستان سے باہر منعقد نہیں کیا گیا تاکہ بیرون ملک اجلاس کے اضافی اخراجات کی بچت ہو سکے۔

## سرٹیفکیٹ ہولڈرز کا طرز

30 جون 2019ء کو مضاربہ کے سرٹیفکیٹ ہولڈنگ کے طرز اور اضافی معلومات کا اسٹیٹمنٹ مع پراسی فارم اس رپورٹ کے ساتھ منسلک ہے۔

اس مدت کے دوران میں بورڈ آڈٹ کمیٹی کے کل چار اجلاس ہوئے۔ اس متعلقہ مدت میں حاضری کی صورتحال درج ذیل کے مطابق رہی:

اجلاس		ڈائریکٹر کا نام
حاضری	منعقد	
4	4	جناب جوڑ جیو خان
4	4	جناب نسیم احمد
4	4	جناب علی اکبر عبداللہ

#### ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی

بورڈ آف ڈائریکٹرز نے ضابطوں کے مطابق ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی (HRRC) تشکیل دی ہے۔ HRRC کی بنیادی ذمہ داری اہم انتظامیہ کے عملے کے جانچ اور تلافی کے طریقہ کار پر عمل درآمد کرنا ہے۔ اس مدت کے دوران میں HRRC کے کل دو اجلاس منعقد ہوئے۔ اس میں حاضری کی صورتحال درج ذیل کے مطابق رہی۔

اجلاس		ڈائریکٹر کے نام
حاضری	منعقد	
2	2	جناب جوڑ جیو خان
2	2	جناب نسیم احمد
2	2	جناب غیاث الدین خان
2	2	جناب علی اکبر عبداللہ

#### کارپوریٹ گورننس پر عمل درآمد

بورڈ آف ڈائریکٹرز مضاربہ کے تمام نمایاں امور کا جائزہ لیتا ہے۔ ان میں مضاربہ کی حکمت عملی کا رخ، متعلقہ پارٹی سے لین دین اور طویل مدت کی سرمایہ کاری اور قرضہ کے حصول کے فیصلے شامل ہیں۔ بورڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے کیلئے پرعزم ہے۔

## بورڈ آف ڈائریکٹرز

بورڈ پانچ ڈائریکٹرز پر مشتمل ہے۔ بورڈ کے ممبرز کی تشکیل درج ذیل ہے:

- 1 خود مختار ڈائریکٹر
- 3 نان ایگزیکٹو ڈائریکٹرز
- 1 ایگزیکٹو ڈائریکٹر

اس عرصہ میں بورڈ آف ڈائریکٹرز کے کل پانچ اجلاس ہوئے۔ اس متعلقہ عرصہ میں اجلاس میں حاضری کی صورت حال درج ذیل کے مطابق رہی:

اجلاس		ڈائریکٹرز کے نام
حاضری	منعہ	
4	5	جناب محمد سعید
5	5	جناب نسیم احمد
5	5	جناب شیاث الدین خان
5	5	جناب جوزر جواخان
5	5	جناب علی اکبر عبداللہ

## بورڈ آڈٹ کمیٹی

بورڈ نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کی بیرونی میں آڈٹ کمیٹی قائم کی ہے جو اندرونی کنٹرول اور ضابطوں کی پابندی کی نگرانی کرتی ہے اور اپنے قیام سے اب تک نہایت مستعدی کے ساتھ یہ فرائض انجام دے رہی ہے۔ آڈٹ کمیٹی سہ ماہی، ششماہی اور سالانہ مالیاتی اسٹیٹمنٹس بورڈ کے سامنے پیش کئے جانے اور شائع ہونے سے قبل ان کا باقاعدہ جائزہ لیتی ہے۔ آڈٹ کمیٹی نے بیرونی آڈیٹر کے ساتھ مختلف مسائل پر تفصیلی گفت و شنید کی جس میں ان کے انتظامیہ کو لکھے گئے خط پر بھی گفتگو ہوئی۔ آڈٹ کمیٹی نے اندرونی آڈیٹر کی جانب سے کی گئی نشاندہی کا بھی جائزہ لیا اور کوڈ آف کارپوریٹ گورننس کے مطابق اندرونی اور بیرونی آڈیٹرز کے ساتھ الگ الگ ملاقاتیں کیں۔

### • کاروباری رسک

اپنے جنریٹر اینڈ بزنس پر نمایاں انحصار کے سبب مضاربہ کو توانائی کے زیادہ سے زیادہ ذرائع جیسے سولر پاور پلانٹس کی دستیابی کا رسک موجود ہے۔ اسی طرح حکومت کی جانب سے کسی متبادل توانائی کے شعبہ کو سبسڈی دینے سے مضاربہ پر منفی اثر پڑ سکتا ہے۔

### • کریڈٹ رسک

مضاربہ کو اندرونی طور پر اجارہ کے کاروبار میں نادر ہندگی کے رسک کا سامنا ہوتا ہے۔ مضاربہ کو صارفین کا کرایہ کی ادائیگی میں نادر ہندہ ہونا بہت بڑا رسک ہے۔ اس کے علاوہ دیگر رسک میں لیز پر دیئے گئے اثاثہ کا قبضہ نہ ملنا، صارف کی جانب سے اثاثہ کا غلط استعمال یا اس کو نقصان پہنچانا، حادثات، چوری اور بریک ڈاؤن ہونے کے رسک شامل ہیں۔

### • معاشی رسک

معاشی صورتحال میں تبدیلیوں کا اثر مضاربہ کی کارکردگی پر بھی پڑتا ہے۔ ان میں مارکیٹ کے بڑھنے، شرح سود اور زرمبادلہ میں اضافے سے مضاربہ کی آمدنی اور اثاثے متاثر ہو سکتے ہیں۔

مضاربہ ان مذکورہ رسک کے ممکنہ اثرات کو ختم کرنے یا قابل قبول حد تک کم کرنے کیلئے اپنے اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ مل کر کام کرتا ہے۔

### مستقبل کے امکانات

بورڈ اپنی بنیادی سرگرمیوں پر بھرپور توجہ دینے میں مصروف ہے اور اپنے موجودہ بنیادی اثاثہ جات میں اضافہ کیلئے منصوبہ بندی کر رہا ہے۔ کیونکہ دیگر کئی عوامل کے باعث جنریٹر اینڈ بزنس کے کاروبار میں ترقی کے روشن امکانات موجود ہیں جن میں ایل این جی کی دستیابی، صنعتوں پر نقد رقم کے بہاؤ کا دباؤ، بجلی کی پیداوار میں کمی، دیکھ بھال کے اخراجات میں اضافہ وغیرہ شامل ہیں۔

او آر ایم کو ایک ترقی کرنے والے مضاربہ کی حیثیت حاصل ہے۔ اور ہم اپنے کاروبار کی ترقی اور اپنے سرمایہ کاروں کے بہترین منافع کے لیے کام کرتے رہیں گے۔ ہماری توجہ اور حکمت عملی معیاری کسٹمر میں اور رسد کو بڑھانے پر مرکوز ہے۔ ہم اپنے مختلف کاموں میں زیادہ سے زیادہ ہم آہنگی پر توجہ مرکوز کرتے ہوئے لاگت میں کمی کی استعداد کو زیادہ سے زیادہ بنانے کی اپنی کوششوں کو جاری رکھنا چاہتے ہیں۔ ہماری توجہ معیار کو برقرار رکھتے ہوئے اپنے سرمایہ کاروں کو مستقل منافع کی فراہمی پر مرکوز رہے گی۔

## کاروباری عمل کا جائزہ

آپ کے مضاربہ نے پاکستان کے مضاربہ سیکٹر میں اپنی پوزیشن مستحکم کرتے ہوئے اپنے پہلے مکمل کامیاب مالی سال کا اختتام کیا ہے۔ انتظامیہ نے ایک تسلی بخش مالی نتیجہ پیش کرنے میں اپنی وابستگی کو پورا کیا اور عملی اور انتظامی قوت کا مظاہرہ کیا۔ جو کاروبار کے حجم اور منافع دونوں سے اچھی طرح سے ظاہر ہوتا ہے۔ اس عرصے کے دوران مضاربہ نے ایک صحتمند کسٹمر بیس کو شامل کیا اور مجموعی محصولات Rs. 1274.76 ملین جبکہ 2017-18 کے سات مہینوں کے عرصے میں Rs. 610.62 ملین حاصل کیے۔ آپریٹنگ لاگت Rs. 1156.57 ملین جبکہ 2017-18 کے سات مہینوں کے عرصے میں Rs. 528.36 ملین تک محدود رہے ہیں، جس میں ابتدائی لاگت کے Rs. 11.96 ملین بھی شامل ہیں۔ جسکے نتیجے میں ہر سرٹیفکیٹ کی کمائی Rs. 0.42 فی سرٹیفکیٹ سے بڑھ کر Rs. 1.37 فی سرٹیفکیٹ ہو گئی۔

ان مالیاتی حسابات میں ٹیکس کی مد میں کوئی رقم شامل نہیں ہے کیونکہ انتظامیہ نے اس مدت کے منافع سے کم از کم 90% حصہ بعد از قانونی ریزرو میں منتقلی اپنے سرٹیفکیٹ ہولڈرز میں تقسیم کرنے کا عزم کیا ہے۔

## منافع کی تقسیم

بورڈ یہ اعلان کرتے ہوئے مسرت محسوس کرتا ہے کہ نقد ڈیویڈنڈ بحساب % 10 یعنی ہر 10 روپے والے سرٹیفکیٹ کیلئے 1 روپیہ دیا جا رہا ہے جو کہ زکوٰۃ اور ٹیکس کی کٹوتی سے مشروط ہے۔

## بڑے رسک اور غیر یقینی صورتحال

مضاربہ کو اندرونی طور پر بعض رسک اور غیر یقینی صورتحال کا سامنا ہوتا ہے۔ تاہم ان میں سے ہمارے نزدیک بنیادی رسک درج ذیل ہیں:

## • ٹیکویشن پالیسی میں تبدیلیاں

مضاربہ کی کامیابی دوسرے عناصر کے علاوہ حکومت کی جانب سے ٹیکس کی چھوٹ کے فائدے پر منحصر ہے جو منافع کا کم از کم 90% حصہ اپنے سرٹیفکیٹ ہولڈرز کو نقد ڈیویڈنڈ کی صورت میں تقسیم کرنے پر دی جاتی ہے۔ اگر کسی بھی مرحلے پر حکومت یہ چھوٹ واپس لے لے تو اس کا اثر مضاربہ کی فی سرٹیفکیٹ آمدنی پر پڑ سکتا ہے۔

## ڈائریکٹرز کی رپورٹ

برائے مدت تختہ 30 جون 2019

اورینٹ رینٹل مضاربہ ("مضاربہ") کی منجنت کمپنی ایمان منجنت (پرائیویٹ) لمیٹڈ ("ایمان") کا بورڈ آف ڈائریکٹرز بمسرت مضاربہ کے 30 جون 2019 تک کی مدت کیلئے ڈائریکٹرز کی رپورٹ مع آڈٹ شدہ مالیاتی حسابات پیش کرتا ہے۔ اس کی مالیاتی جھلکیاں درج ذیل ہیں:

17 نومبر 2017 سے 30 جون 2018 روپے	30 جون 2019 روپے	
610,617,688	1,274,761,399	آمدنی
(528,362,597)	(1,156,574,692)	اخراجات
82,255,091	118,186,707	منافع قبل از منجنت فیس
(10,754,030)	(15,451,730)	منجنت کمپنی کے معاوضے اور دیگر اخراجات
71,501,061	102,734,977	قبل اور بعد از ٹیکس منافع
-	57,200,849	غیر تقسیم شدہ منافع آگے لایا گیا
(14,300,212)	(20,546,995)	قانونی ریزرو میں بحساب مدت کے منافع سے 20% کے حساب سے منتقلی (2018: 20%)
-	(51,750,000)	منافع کی تقسیم 30 جون 2018 فی سرٹیکلیٹ Rs. 0.69
57,200,849	87,638,831	غیر تقسیم شدہ منافع آگے لے جایا گیا
0.95	1.37	فی سرٹیکلیٹ آمدنی - بنیادی اور تحلیل شدہ
10.95	11.63	فی سرٹیکلیٹ بریک اپ ویلیو

## چیئر مین کی جائزہ رپورٹ

محترم مضاربہ سرٹیفکیٹ ہولڈرز

اورینٹ رینٹل مضاربہ ("مضاربہ") کی مینجمنٹ کمپنی ایمان مینجمنٹ (پرائیویٹ) لمیٹڈ ("مینجمنٹ کمپنی") کے بورڈ آف ڈائریکٹرز کی جانب سے میں ہمسرت مضاربہ کے 30 جون 2019 تک کی مدت کے لئے آڈٹ شدہ مالیاتی حسابات پیش کرتا ہوں۔

بورڈ آف ڈائریکٹرز کی تشکیل مختلف پس منظر اور کاروبار، مالیات، بینکاری اور ضوابط کے شعبوں میں بھرپور تجربہ کے امتزاج کی عکاسی کرتی ہے۔ بورڈ یہ بھی یقینی بناتا ہے کہ مینجمنٹ انضباطی تقاضوں کی تعمیل کر رہا ہے اور Statement of Compliance with Listed Companies (Code of Corporate Governance) 2017

Exceptions کی Regulations کو موجودہ اکاؤنٹنگ مدت میں مکمل کیا جائے گا۔ بورڈ کو اس کی کمیٹیوں کے ذریعے مدد ملتی ہے۔ بورڈ اور اس کی کمیٹیاں اپنی ذمہ داریوں کو پورا کرنے کیلئے کثرت سے ملتی ہیں۔ نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز اہم فیصلوں میں شریک ہوتے ہیں۔

ہم اپنے موجودہ کاروبار میں اپنی پوزیشن مستحکم کرتے ہیں۔ اسی کے ساتھ ساتھ، ہم مستقبل میں اپنی بنیادی کاروباری حکمت عملیوں کے مطابق مزید کاروباری توسیع کے لئے نئی مارکیٹوں اور کسٹمر کو تلاش کریں گے۔ مجھے خوشی ہے کہ ہماری ٹیم کاروباری مواقع کو سمجھنے کی صلاحیت رکھتی ہے اور اپنے حریفوں سے پہلے ہی نئے کاروباری مواقع ڈھونڈتی ہے۔ پاکستان میں اسلامی مالیات کا شعبہ ترقی کر رہا ہے اور مجھے یقین ہے کہ مضاربہ اس ابھرتے ہوئے طبقات میں اپنے اثاثوں کے سائز میں مزید اضافہ کرے گا۔

میں اپنے چیف ایگزیکٹو آفیسر اور ان کی ٹیم کے تمام ممبروں کی محنت اور لگن کو سراہتا ہوں۔ میں رجسٹرار مضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کے تعاون کا بھی شکر گزار ہوں۔ میں تمام اسٹیک ہولڈرز، ملازمین، صارفین، سپلائرز، سرٹیفکیٹ ہولڈرز، بینکروں اور دیگر تمام افراد کے تعاون کا شکریہ ادا کرتا ہوں۔

محمد سعید  
چیئر مین

تاریخ: 27 ستمبر، 2019

## ۷۔ ڈیویڈنڈ مینڈیٹ

کمپنیز ایکٹ 2017 (ایکٹ) لسٹڈ کمپنی / ادارے کی جانب سے کیش ڈیویڈنڈ کی ادائیگی اب صرف الیکٹرونک ذریعہ سے لازمی ہے۔ اس لئے اورینٹ رینٹل مضاربہ کے تمام سرٹیفکیٹ ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب ڈیویڈنڈ مینڈیٹ فارم پر کر کے اپنے متعلقہ بینک کو ڈیویڈنڈ مینڈیٹ فراہم کریں۔ ان سرٹیفکیٹ ہولڈرز سے جن کی شیئر ہولڈنگ سینٹرل ڈپازٹری سسٹم (CDS) کے تحت ہے، گزارش ہے کہ وہ اپنے بینک مینڈیٹ کی معلومات براہ راست متعلقہ شریک / سی ڈی سی انوسٹر اکاؤنٹ سروس کو فراہم کریں۔ بینک اکاؤنٹ کی تفصیلات کی عدم موجودگی یا نامکمل معلومات کی صورت میں مضاربہ ان شیئر ہولڈرز کے ڈیویڈنڈ روک لینے پر مجبور ہوگا جنہوں نے مطلوبہ معلومات فراہم نہ کی ہوں گی۔ مزید معلومات کیلئے ہمارے شیئر رجسٹرار کے ہیڈ آفس، سی ڈی سی ہاؤس، 99-B بلاک بی، ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی 74400 سے رابطہ کریں۔  
فون 021-111-111-500 فیکس 021-34326040 -

۸۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جاری کردہ ہدایات بذریعہ ایس آر او 2014/1(787) مورخہ 08 ستمبر 2014، کے ذریعے کمپنیز کو اجازت دی گئی ہے کہ وہ اپنے آڈٹ شدہ فنانشل اسٹیٹمنٹس مع سالانہ جائزہ مینڈنگ کی اطلاع، اپنے سرٹیفکیٹ ہولڈرز کو بذریعہ ای میل ارسال کر سکتے ہیں۔ جو سرٹیفکیٹ ہولڈرز آئندہ مضاربہ کی سالانہ رپورٹ بذریعہ ای میل حاصل کرنا چاہیں، ان سے درخواست ہے کہ وہ رضامندی کا فارم (اورینٹ رینٹل مضاربہ کی ویب سائٹ پر دستیاب) پر کر کے ہمارے شیئر رجسٹرار کے ہیڈ آفس، سی ڈی سی ہاؤس، 99-B بلاک بی، ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی 74400 سے رابطہ کریں۔ فون 021-111-111-500 فیکس 021-34326040 -

کارپوریٹ سرٹیفکیٹ ہولڈرز جن کے اکاؤنٹ سی ڈی سی میں ہیں، اپنے متعلقہ شرکاء کے ساتھ اپنا قومی ٹیکس نمبر (NTN) اپ ڈیٹ کر لیں۔

انکم ٹیکس سے استثنیٰ کے خواہشمند یا کم شرح پر کٹوتی کے اہل افراد سے درخواست ہے کہ وہ کیس کے مطابق کارآمد ٹیکس سرٹیفکیٹ یا ضروری دستاویزی ثبوت پیش کریں۔ زکوٰۃ کی کٹوتی سے چھوٹ کے خواہشمند سرٹیفکیٹ ہولڈرز سے درخواست ہے کہ وہ زکوٰۃ سے چھوٹ کا کارآمد ڈکریشن جمع کرائیں۔

## ۶۔ جوائنٹ اکاؤنٹ ہولڈر کی صورت میں ڈیویڈنڈ پر وہ ہولڈنگ ٹیکس

مشترکہ سرٹیفکیٹ کے حامل تمام سرٹیفکیٹ ہولڈرز سے درخواست ہے کہ پرنسپل سرٹیفکیٹ ہولڈر اور جوائنٹ ہولڈر کے پاس موجود سرٹیفکیٹ کی تعداد کے تناسب سے شیئر رجسٹر کو تحریری طور پر درج ذیل کے مطابق معلومات فراہم کریں:

جوائنٹ سرٹیفکیٹ ہولڈر	پرنسپل سرٹیفکیٹ ہولڈر	کل سرٹیفکیٹ	پورٹ فولیو نمبر اسی ڈی سی اکاؤنٹ نمبر
نام اور CNIC نمبر سرٹیفکیٹ ہولڈنگ کا تناسب (تعداد سرٹیفکیٹس)	نام اور CNIC نمبر سرٹیفکیٹ ہولڈنگ کا تناسب (تعداد سرٹیفکیٹس)		

مطلوبہ معلومات ہمارے شیئر رجسٹرار کو 19 اکتوبر 2019 کو کاروباری اوقات کے اختتام تک لازمی موصول ہو جانی چاہئیں، ورنہ یہ تصور کر لیا جائے گا کہ پرنسپل سرٹیفکیٹ ہولڈر اور جوائنٹ ہولڈر دونوں کے پاس برابر کی تعداد میں سرٹیفکیٹ موجود ہیں۔

### ۳۔ اجلاس میں شرکت کیلئے

- (i) فرد واحد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور ایاجس شخص کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور اس کے رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ ہیں، اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کیلئے اصل CNIC یا اصل پاسپورٹ پیش کریں۔
- (ii) کارپوریٹ ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے نمونہ کے دستخط، اجلاس کے وقت پیش کرنا ہوں گے۔

۴۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے ایس آر او 2014/ (ا) 634 کی شرط کے مطابق سالانہ رپورٹ برائے سال ختمہ 30 جون 2019 مضرارہ کی ویب سائٹ پر بھی جاری کر دی جائے گی اور ساتھ ہی سرٹیفکیٹ ہولڈرز کو بھی ارسال کر دی جائے گی۔

### ۵۔ ڈیویڈنڈ کی رقم پر ود ہولڈنگ ٹیکس کی کٹوتی

حکومت پاکستان نے فنانس ایکٹ 2019 کے ذریعہ اگم ٹیکس آرڈیننس 2001 کے سیکشن 150 میں بعض ترامیم کی ہیں جن کی رو سے کمپنی کی جانب سے ڈیویڈنڈ کی رقم کی ادائیگی پر ود ہولڈنگ ٹیکس کی کٹوتی کیلئے مختلف شرحیں مقرر کی گئی ہیں۔ حکومت پاکستان نے مزید فنانس ایکٹ 2017 کے ذریعہ ود ہولڈنگ ٹیکس کی کٹوتی کی شرح تبدیل کی ہے جو درج ذیل ہے:

- (a) اگم ٹیکس ریٹرز کے فائلر (ز) کیلئے کٹوتی کی شرح: 15%
- (b) اگم ٹیکس ریٹرز کے نان فائلر (ز) کیلئے کٹوتی کی شرح: 30%

لہذا کمپنی کو کیش ڈیویڈنڈ کی رقم پر 30% کی بجائے 15% کٹوتی کیلئے تمام سرٹیفکیٹ ہولڈرز کو جن کے نام FBR کی ویب سائٹ پر فعال ٹیکس گزاروں کی فہرست (ATL) میں شامل نہیں ہیں، حالانکہ وہ فائلر ہیں، مشورہ دیا جاتا ہے کہ مقررہ مدت کے اختتام (درج بالا) سے پہلے ATL میں اپنے نام کے اندراج کو یقینی بنالیں ورنہ ان کے کیش ڈیویڈنڈ سے ٹیکس کی کٹوتی 15% کی بجائے 30% کی شرح سے کی جائے گی۔ مزید استفسارات / مسئلے / معلومات کیلئے شیئر رجسٹرار کے ہیڈ آفس، سی ڈی سی ہاؤس، B - 99، بلاک بی، ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی - 74400 پر رابطہ کریں۔  
فون: 021-111-111-500، ٹیکس 021-34326040۔

## اطلاع برائے سالانہ جائزہ اجلاس

بذریعہ ہذا مطلع کیا جاتا ہے اورینٹ رینٹل مضاربہ کے سرٹیفکیٹ ہولڈرز کا دوسرا سالانہ جائزہ اجلاس ہفتہ 26 اکتوبر 2019 کو صبح 08:45 بجے ایمان منجمنٹ (پرائیویٹ) لمیٹڈ کے دفتر واقع پلاٹ نمبر 9، سیکٹر 24، کورنگی انڈسٹریل ایریا، کراچی میں مضاربہ کی کارکردگی برائے مدت مختتمہ 30 جون 2019 کا جائزہ لینے کیلئے منعقد ہوگا۔

منجانب بورڈ  
 ایم۔ جمال احمدانی  
 کمپنی سیکرٹری،  
 ایمان منجمنٹ (پرائیویٹ) لمیٹڈ  
 فیجر اورینٹ رینٹل مضاربہ  
 کراچی۔ 27 ستمبر 2019

## نوٹس:

۱۔ سرٹیفکیٹ ٹرانسفر بکس 20 اکتوبر 2019 تا 26 اکتوبر 2019 (بشمول دونوں ایام) بند رہیں گی۔ تاہم اورینٹ رینٹل مضاربہ کے رجسٹرار میسرز سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کے دفتر میں جمعرات 19 اکتوبر 2019 کو کاروباری اوقات کے اختتام تک موصول ہونے والے ٹرانسفرز، ٹرانسفرز کو ڈیویڈنڈ کی اہلیت اور سالانہ جائزہ اجلاس میں شرکت کے لئے بروقت تصور ہونگے۔

۲۔ سرٹیفکیٹ ہولڈرز کو ہدایت کی جاتی ہے کہ وہ اپنے پتہ میں کسی تبدیلی، اگر ہو، کے بارے میں شیئر رجسٹرار میسرز سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کے ہیڈ آفس، سی ڈی سی ہاؤس، B-99 بلاک B، ایس ایم سی ایچ ایس، مین شارع فیصل، کراچی 74400، فون نمبر 021-111-111-500 فیکس نمبر 021-34326040 پر مطلع کریں۔





# Proxy Form

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


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

As my proxy to represent me and on my behalf at the 1st Annual Review Meeting of the Modaraba to be held on 26th day of October 2019 and at any adjournment there of.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

**WITNESSES:**

- 1 Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_   
CNIC / or: \_\_\_\_\_  
Passport No.: \_\_\_\_\_
  
- 2 Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_   
CNIC / or: \_\_\_\_\_  
Passport No.: \_\_\_\_\_

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

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



## DIVIDEND MANDATE FORM

Date:

I hereby wish to communicate my desire to receive my dividends directly in my bank account as detailed below:

1. Name of shareholder/certificate holder: \_\_\_\_\_
2. Folio number: \_\_\_\_\_
3. Postal Address: \_\_\_\_\_
4. Contact number: \_\_\_\_\_
5. Name of Bank: \_\_\_\_\_
6. Bank Branch & full mailing address: \_\_\_\_\_
7. Title of Bank Account: \_\_\_\_\_
8. Bank Account No. (complete with code): \_\_\_\_\_
9. IBAN Number (complete with code): \_\_\_\_\_
10. CNIC No. (attach copy) : \_\_\_\_\_
11. NTN (in case of corporate entity, attach copy): \_\_\_\_\_

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company informed in case of any changes in the said particulars in future.

### INDIVIDUAL CERTIFICATE HOLDER(S)

\_\_\_\_\_  
Signature CNIC No. \_\_\_\_\_  
(copy attached)

### CORPORATE ENTITY

\_\_\_\_\_  
Authorized Signatory(ies) (copy attached) NTN No. \_\_\_\_\_

(In case Certificates held in CDC then please inform concerned Participant / CDC Investor Account Services).

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