



**Modaraba Al-Mali**

**Managed by:  
AssetPlex Limited**

**Annual Report | 2022**

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

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## *Mission Statement*

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The mission statement of the Management Company and Modaraba Al-Mali stems from its commitment to follow the Divine Commandment:

“But Allah hath permitted trade and forbidden usury”

Accordingly, the mandate it has set for itself is to seek investment, raise funds, trade and re-invest in accordance with Islamic principles and continuously endeavor to conduct business in conformity with Sharia to the maximum extent possible in the prevailing secular economic environment, which is not yet fully geared and ready to adopt Islamic financial set-up as a way of life.

## *Our Vision*

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Our vision is to become vibrant organization of choice for our customers and investors, contribute in the development of national economy, and maximize profitability for sharing halal profits to our certificate holders and partners. The Management Company is committed to continuous, sustainable and impressive growth in the sphere of its activities.

The cornerstone of investment management philosophy is to grow through consortium effort entering into investment and technical collaboration with interested organizations, sharing common objectives, who would like to invest and grow in Pakistan through their skills and equity. This approach is not a sideline at our organization. It is at the heart of our design for growth and in pursuit of excellence.

## CORPORATE INFORMATION

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



## CHAIRMAN'S REVIEW REPORT

Dear Certificate-holders,

Generally 2021-2022 was a tough year for the Country. Pak Rupee devaluation, persistently high KIBOR rates, inflationary pressures, political uncertainty were remained major areas of concern. Moreover, recent taxation measures (FY 2020-2021) is adding problem to Modaraba segment.

Modaraba was engaged in the business of Leasing/Ijarah, Murabaha, Musharaka Financing and operations of gas stations. Management of the Modaraba has decided to change the business of the Modaraba as follows:

### Discontinuation of Existing Businesses:

1. Discontinuance of lending business (in Ijarah, Murabah, Musharak and any other mode of Financing). Efforts will be made for the recovery of the outstanding balances;
2. Disposal of property/business of Gas Station;
3. Disposal of leasehold offices/premises in Karachi;

### Modaraba is re-focusing and repositioning into New Businesses:

1. Launching IPO Support Fund and Revival of Shell Listed Companies;
2. Re-focusing the business of Modaraba to Venture Capital;
3. Underwriting and Business Revival Activities;
4. Strategic Equity Investments in Financial Services entity;

Modaraba is multipurpose for indefinite period is revamping and repositioning itself into emerging fields and will create value to the certificate-holders. Management is determined to cope with challenges and is working on the strategy to revive the Modaraba in diversified areas.

We would like to thank our customers for their trust and also like to thank all our colleagues, management and staffs that are strongly committed to their work as the success of your Modaraba is built around their efforts. We also thank our certificate-holders for their confidence in the Modaraba and assure them that we are committed to do our best to ensure best rewards for their investment in the Modaraba.

-Sd-

**Mr. Usman Hassan**

Dated: October 04, 2022

## چیز مین کی جائزہ رپورٹ

محترم سرٹیفیکیٹ کنندگان

عام طور پر سال ۲۰۲۱-۲۰۲۲ ملک کے لیے ایک سختی کا سال تھا۔ روپے کی قدر میں کمی، مسلسل بلند KIBOR کی شرح، افراطی دباؤ اور سیاسی غیر یقینی صورتحال بڑے مسائل رہے تھے۔ علاوہ ازیں، حالیہ محصول کے اقدامات (FY 2020-2021) نے مضاربہ سیکٹر کے مسائل میں اضافہ کر رہے ہیں۔

آپ کا مضاربہ لیزنگ / اجارہ، مراحبہ اور مشار کہ فنانسنگ اور گیس اسٹیشن کے آپریشن کاروبار میں مصروف تھا۔ مضاربہ کی میجمنٹ، مضاربہ کے مندرجہ ذیل کاروبار کرنے کا فیصلہ کر چکی ہے:

مندرجہ ذیل موجودہ کاروبار کو ترک کرنا

۱. قرضہ کی فراہمی کے کاروبار کو ترک کرنا (اجارہ، مراحبہ، مشار کہ اور دیگر فنانسنگ کے موڈ میں)۔ بقایا جات کی وصولیابی کے کوششیں کی جائیں گی۔
۲. گیس اسٹیشن کی زمین / کاروبار کی فروخت۔
۳. کراچی میں لیز پر دفتخ / جگہ کی فروخت۔

مضاربہ نئے کاروبار کے مقام کا تعین کرنے پر دوبارہ توجہ دے رہا ہے:

۱. IPO سپرٹ فنڈ کا اجراء اور شیل لسٹڈ کمپنی کی بحالی؛
  ۲. مضاربہ کے کاروبار، وینچر کیپیٹل پر دوبارہ سے توجہ دینا؛
  ۳. مالیاتی ضمانت (Underwriting) اور کاروبار کی بحالی کی سرگرمیاں؛
  ۴. مالیاتی سروسسز اینٹی میں تزویراتی ملکی سرمایہ (Equity) سرمایہ کاری؛
- مضاربہ، غیر معینہ مدت کے لیے ایک کثیر المقاصد ہے، اور وہ نئی ابھرنے والے شعبہ جات میں اصلاحی تبدیلی اور اپنے مقام کے تعین کر رہا ہے اور ایسا کرنے سے سرٹیفیکیٹ کنندگان کے لیے قدر میں اضافہ کرے گا۔ انتظامیہ پر عزم ہے کہ وہ مشکلات کو حل کر لے گی اور وہ مضاربہ کو متنوع شعبوں میں کام کرنے کو بحال کرنے کی حکمت عملی پر کام کر رہی ہے۔

اعتراف / ستائش

ہم اپنے گاہکوں کا ہم پر اعتماد کرنے اور اپنے ساتھیوں، انتظامیہ ور دیگر عملے کا بھی شکریہ ادا کرنا چاہتے ہیں جو اپنے کام سے پر عزم ہیں جن کی کوششوں سے آپ کے مضاربہ کی کامیابی ممکن ہوئی۔ ہر سرٹیفیکیٹ کنندگان کا مضاربہ پر اعتماد کرنے پر بھی شکریہ ادا کرنا چاہتے ہیں اور مضاربہ میں سرمایہ کاری کرنے پر انہیں بہترین ریوارڈ کا یقین دلاتے ہیں۔

جناب عثمان حسن  
چیز مین

## DIRECTORS' REPORT

On behalf of the Board of Directors of Assetplex Limited, we are pleased to present 37th Annual report of Modaraba Al-Mali together with audited accounts for the year ended June 30, 2022.

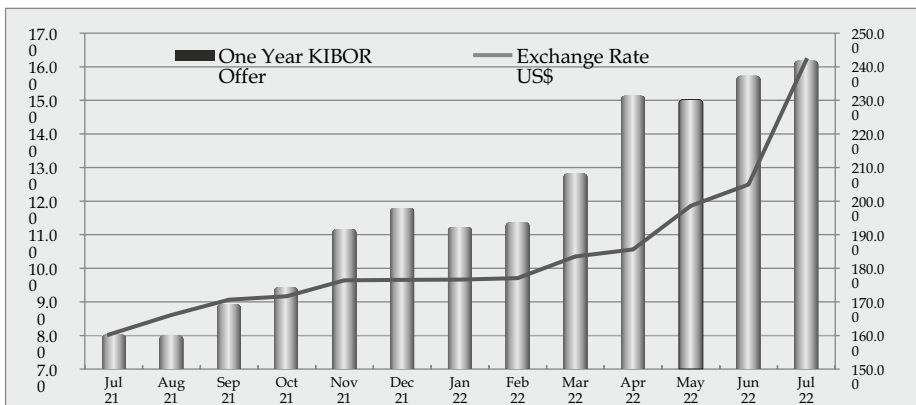
### Economic Outlook

The country has managed the Corona Pandemic very well and very rightly avoided prolonged lockdowns, which helped to keep things under control. Despite challenging conditions, it was able to achieve, real GDP growth rate of 5.97 percent in the fiscal year 2022. Agriculture sector and LSM grew by 4.40% and 10.40%, respectively and revenue collection target of over Rs 6.00 Trillion, was achieved. But there were headwinds in certain areas and consequently, have affected their performance. Interest rates and exchange rate remained very vibrant that depicts the volatility and uncertainty in the economic system.

International commodity prices (particularly of crude oil, LNG) have caused cost-push inflation and worsened, the current account position. The Ukraine war and supply chain problems, worked to add to super high commodities price cycle. There are rising fears of global recession, which may impact, all the countries in the world. Our mega import bill, against nominal growth of exports, created a trade deficit of over \$ 17 billions. Capital markets performed well in the first four months but then have shown sluggish trading volumes and declining indices and no floatation of new IPOs was witnessed.

The CPI inflation was recorded at 12.20 percent, as against 8.90 percent during the same period last year. It created certain imbalances, on different counts. The current high SBP's Policy Rate of 15%, heightened volatility, the size of national debt, its servicing and currency depreciation, etc., have created unprecedented problems.

Political instability in the Country and change of government, further led to a huge increase in economic uncertainty. Our presence in FATF's grey-list and resumption of IMF's Facility, are the other burning issues, which are, hopefully, nearing resolution, after lot of reforms work, being carried out. Uncertainty at individual, firm, and government levels is negatively affecting the economy. The current spell of record rainfall and glacier melting have caused heavy flooding, destroyed crops, damaged the infrastructure and displaced thousands of people. It will put extra burden on our very scarce resources.



## Operating and Financial Results

The Board and the management of your Company, is well aware of the posed challenges and are taking all possible measures, to re-design the required solutions. Moreover, your Modaraba is continually reviewing its business strategy to seize the new opportunities and cope with the prevailing challenges/threats. It has prioritized to avoid concentration-risk, endeavoring to tap alternative revenue streams and is trying hard to add to certificate-holders' value. Currently, the Modaraba has decided to reposition with its investments and other business activities and benefits from the established revenue streams. Additional resources were created, through issuance of 331% right issue, for repositioning its business.

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

<b>Financial Performance</b>	<b>2022 Rupees</b>	<b>2021 Rupees</b>
Revenue	88,619,923	41,420,207
Expenses	<u>(50,228,363)</u>	<u>(7,634,370)</u>
Net Profit	38,391,560	33,785,837
Transferred to Statutory Reserves	(7,678,312)	(6,757,167)
Other Comprehensive Income	216,849,948	(6,928)
EPS Rs./	0.72	1.92

Under the provision of Modaraba Ordinance, 1980, the management Modaraba is entitled to a fee up to 20% of the profit of Modaraba. Moreover, the Board of Directors has decided to charge the management fee of Rs. 9.529 million this year (for the past years services as well).

### Certificate

PSX Trading Symbol:MODAM

Market Price : Rs. 6.40 per Certificate as on October 04, 2022

Trading Status : Actively Traded

### Transferred to Statutory Reserves

As per the Prudential Regulations issued by Securities & Exchange Commission of Pakistan (SECP), Modaraba is required to transfer a minimum 20% and maximum 50% post-tax profit to statutory reserve. The Board of Directors has appropriated 20% towards the statutory reserve.

### Dividend

Due to future financial plans of the Company, Board of Directors of the Company has decided not to declare final dividend for this financial year.

## Future Outlook

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

Board of Directors of Modaraba has announced 331% Right Issue in their Meeting held on September 13, 2021. Procedure related to rights proceeds (along with allocation of unsubscribed portion of Right Issue) of Rs. 610.00 million was completed on January 31, 2022. Modaraba is repositioning itself services (underwriting, financial consultancy, and financial services), venture capital and technology businesses. These investment will either be taken directly in the Modaraba or as a strategic equity investments in other legal entities, provided they are Shariah compliant. Modaraba shall also seek collaboration and technical partners, if required, to implement its repositioning/diversification stratagem.

## External Auditors

The present auditors, M/s. KPMG Taseer Hadi & Co. Chartered Accountants due to retire and they are not offering themselves for the reappointment. The Audit Committee of your Modaraba has recommended M/s Kreston Hyder Bhimji & Co. Chartered Accountants, are offering themselves for appointment, and may be appointed as auditors of your Modaraba for next term subject to the approval from the Registrar Modaraba, the Securities and Exchange Commission of Pakistan.

## Code of Corporate Governance

The requirements of the Code of Corporate Governance, as introduced by the Securities and Exchange Commission of Pakistan (and set out by the Pakistan Stock Exchange Limited in its Listing Rules), have been duly complied with. A statement to this effect is annexed with the report.

## Compliance with Code of Corporate Governance

In compliance with the Code, the Board of Directors of your Modaraba states that:

- The financial statements, prepared by the management of your Modaraba, fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained by your Modaraba.
- Appropriate accounting policies are consistently applied by your Modaraba in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of these financial statements and any departure there from, if any, has been adequately disclosed.
- The system of Internal Control, being implemented in your Modaraba is sound and has been effectively persisted throughout the year.
- Keeping in view the financial position of your Modaraba, we do not have any significant doubt upon its continuance as a going concern.
- There also has not been any material departure from the best practices of corporate governance, as detailed in the listing regulations, during the year under review.

# Modaraba Al-Mali

## Meetings of the Board of Directors

During the year, the Board of Directors of your Modaraba has met Five times and the attendance at each of these meetings is as follows:

	13-Sep 21	27-Sep 21	04-Oct 21	25-Oct 21	17-Dec 21	4-Feb 22	15-Feb 22	25-Feb 22	27-Apr 22	Attendance
Mr. Usman Hassan	A	P	A	A	A	P	P	P	P	5/9
Mr. Hussain Ahmed Ozgen	P	P	P	A	A	P	P	P	P	7/9
Ms. Aasiya Riaz						A	A	A	A	0/4
Mr. Siddique Ur Rehman									P	1/1
Mr. Muhammad Usman									P	1/1
Mr. Hafiz Mudassar Alam									P	1/1
Mr. Rashid Matin Khan									P	1/1
Mr. Abdul Qadir Memon	A	A	A	P	A	P	P	A		3/8
Mr. Attique Ahmed Khan	A	A	A	A	P	A	A	A		1/8
Ms. Huma Ejaz	P	P	P	P	P	P	P	P		8/8
Mr. Amir Zia	P	P	P	P	P					5/5
Mr. Aftab Ahmed Chaudhry	P	P	P	P	P	P	P	P		8/8
<b>Total</b>	4/7	5/7	4/7	4/7	4/7	5/7	5/7	4/7	6/7	

## Audit Committee

The Board of Directors of the Modaraba has established an Audit Committee (for FY 2021-2022) comprising of three members, in compliance with the Revised Code of Corporate Governance 2019 (CCG). Whom two are Non-Executive Directors including Chairman of the Committee. During the year June 30, 2022, the Committee met four times. The Meetings of the Audit Committee were held at least once every quarter prior approval of the interim and final results of the Modaraba as required by CCG. The attendance of the Board Members was as follows:

Audit Committee	27-Sep-21	25-Oct-21	25-Feb-22	27-Apr-22	Attendance
Mr. Muhammad Usman				P	1/1
Mr. Hussain Ahmed Ozgen				A	0/1
Mr. Usman Hassan				P	1/1
Ms. Huma Ejaz	P	P	P		3/3
Mr. Amir Zia	P	P	P		3/3
Mr. Usman Hassan	P	A	P		2/3
<b>Total</b>	3/3	2/3	3/3	2/3	

P = Present

A = Absent

Chief Financial Officer, Secretary of Audit Committee (Head of Internal Audit) were also attended all meetings during the year under review. The Committee also met the External Auditors separately in the absence of Chief Financial Officer and Head of Internal Audit to get their feedback on the overall control and Governance structure within the Modaraba.

## Pattern of Shareholding

The pattern of shareholding of your Modaraba as on June 30, 2022 is annexed with this report. This statement is in accordance with the amendments made through the Code.

## Free Float of Shares

<b>Shares Outstanding</b>	79,423,945
Less :	
Certificates held by Modaraba Company	(14,746,591)
Physical Certificates (excluding Modaraba Company)	(4,168,076)
	60,509,278

## Financial Reporting

The Committee reviewed, discussed and recommended for Board approval, the draft Interim and Annual Results of the Modaraba. The Committee discussed with the CFO, HIA and External Auditors of the Modaraba on significant accounting policies, estimates and judgments applied in preparing the financial information.

## Risk Management Policy

The Board plays a key role in risk management principally through the Risk Management Committee. Programs have been established to consider and manage operational, strategic, technological, scientific, reputation, environmental health and safety and other risks to the Modaraba's businesses.

These are reviewed with the committees on a regular basis.

All operational units incorporate Risk Management into their planning process:

- To minimize risk within the Modaraba
- To ensure Risk Management is incorporated into the corporate governance systems and management structure of the Modaraba
- To ensure that significant Risks within the Modaraba are identified and appropriate strategies are in place to manage them
- To develop effective and efficient Risk Management procedures

## Strategic Planning

It is Modaraba's mainstay policy to position itself strategically in order to achieve its vision of being recognized as a world-class service providers/ manufacturer of top-quality products and to deliver value to its consumer and stakeholders; and

1. To ensure that decisions about strategic positioning are made within the context of a comprehensive and shared understanding of the External/Internal environment.
2. To identify and consider opportunities for the Modaraba to consolidate and strengthen its position.
3. To establish productive and mutually-beneficial partnerships to develop a sustainable competitive advantage.



4. To ensure that the Modaraba has strong and effectively aligned planning and budget processes, incorporating review and continuous improvement mechanisms.

## Human Resources

The Modaraba is committed to equal opportunity employment. It accepts the obligation as a member of the community-at large and as an employer to exercise an active and positive program of non-discrimination in all areas of employment.

Employment decisions are made by providing equal opportunity and access on the basis of qualification and merits. Moreover, the Modaraba shall ensure that fair, consistent, effective and efficient recruitment and selection practices exist in hiring the most suitable candidates.

Your Modaraba has recomposed the HR & Remuneration Committee (Compensation Committee).

- |   |                                |          |
|---|--------------------------------|----------|
| 1 | Mr. Hussain Ahmed Ozgen        | Chairman |
| 2 | Mr. Siddique Ur Rehman Khurram | Member   |
| 3 | Mr. Muhammad Usman             | Member   |

During the year, the HR & Remuneration Committee of your Modaraba has met One time on May 25, 2022.

Terms of Reference of the Human Resource & Remuneration Committee:

The Committee shall be responsible for making recommendations to the Board for maintaining:

1. A sound plan of organization for the Modaraba.
2. An effective employees' development programme.
3. Sound compensation and benefits plans, policies and practices designed to attract and retain the caliber of personnel needed to manage the business effectively.
4. Evaluate and recommend for approval of changes in the organization, functions and relationships affecting management positions equivalent in importance to those on the management position schedule.
5. Determine appropriate limits of authority and approval procedures for personnel matters requiring decisions at different levels of management.
6. Review the employees' development system to ensure that it:
  - a. Foresees the Modarabas senior management requirements.
  - b. Provides for early identification and development of key personnel.
  - c. Brings forward specific succession plans for senior management positions.
  - d. Training and development plans.
7. Compensation and Benefits:
  - a. recommending human resource management policies to the board;



- b. recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;
- c. recommending to the Board the selection, evaluation, compensation (including retirement benefits) of COO, CFO, Modaraba Secretary and Head of Internal Audit; and senior management reporting to CEO.

## Acknowledgements

We wish to place on record gratitude to our valued customers for their confidence in our services and we pledge ourselves to provide them the best quality by continuously improving our services. We would also like to thank all our colleagues, management and other staff who are strongly committed to their work as the success of your Modaraba is built around their efforts. We also thank our certificate-holders for their confidence in the Modaraba and assure them that we are committed to do our best to ensure best rewards for their investment in the Modaraba.

-Sd-

**Mr. Siddique Ur Rehman Khurram**  
Chief Executive Director

Dated: October 04, 2022  
Lahore

## ڈائریکٹر کی رپورٹ

ایسٹ پبلیکس لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب ۳۰ جون ۲۰۲۲ کو اختتام پذیر سال پر ہم مضاربہ المالہ کی ۳۷ ویں سالانہ رپورٹ بمع آڈٹ شدہ کھاتے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### معاشی منظر نامہ

ملک نے کرونا کی عالمی وبا کا اچھی طرح سنبھالا اور درست طریقے سے طویل بندش (lock-downs) سے اجتناب کیا جس نے معاملات کو قابو رکھنے میں مدد کی۔ مالی سال ۲۰۲۲ میں مشکل صورتحال کے باوجود حقیقی مجموعی قومی پیداوار (GDP) میں ۵.۹ فیصد کی شرح نمو حاصل کر سکا۔ زراعت اور بڑے پیمانے کی مشینری پیداوار (LSM) میں بالترتیب ۴.۴۰ فیصد اور ۱۰.۴۰ فیصد کا اضافہ اور مالگڈاری کی وصولی کا کھرب روپے کا ہدف حاصل کیا تھا۔ لیکن چند شعبہ جات میں باد مخالف (headwinds) کا سامنا تھا جس کی وجہ سے کارکردگی متاثر ہوئی۔ سودی نرض اور شرح مبادلہ (exchange rate) بہت مرتعش رہے جو معاشی نظام کی زد پذیری (volatility) اور غیر یقینی ظاہر کرتا ہے۔

بین الاقوامی اجناس کی قیمتوں (خاص طور پر خام تیل اور LNG) لاگت میں اضافے والی مہنگائی پیدا کی اور جاری کھاتے کی صورتحال کو بدتر کر دیا ہے۔ یوکرین کی جنگ اور سپلائی چین کے مسائل نے اجناس کے سپر سائیکل میں بہت اضافہ کیا۔ اب عالمی کساد بازاری کا بڑھتا ہوا خوف سے توقع ہے دنیا کے تمام ملکوں کو متاثر کرے گا۔ ہماری بڑی درآمدات کا بل کے مقابلے میں برآمدات میں معمولی اضافے نے ۱۷ ارب امریکی ڈالر سے زیادہ کا تجارتی خسارہ پیدا کر دیا ہے۔ سرمایہ کی منڈی نے پہلے چار ماہ میں اچھی کارکردگی دکھائی لیکن بعد میں سوڈوں کے حجم میں سست روی اور انڈیکسز (indices) میں گراؤ دکھائی اور کسی نئے IPOs کے اجراء دیکھنے میں نہیں آیا۔

CPI افراط زر نے گزشتہ سال اسی مدت کے دوران ۸.۹۰ فیصد کے مقابلے میں اس سال ۱۲.۲۰ فیصد کا اندراج کیا۔ اس نے مختلف کاؤنٹس (counts) پر کچھ عدم توازن پیدا کیا۔ بینک دولت پاکستان کے موجودہ ۱۵ فیصد کے بلند پالیسی نرخ نے زد پذیری (volatility)، قومی قرضہ کا حجم، اس کی ادائیگی اور کرنسی کی فرسودگی (depreciation) وغیرہ کو بڑھا دیا ہے جس نے ایسے مسائل پیدا کئے ہیں جن کی مثال نہیں ملتی۔

ملک میں سیاسی عدم استحکام اور حکومت کی تبدیلی نے معاشی غیر یقینی کو مزید بڑھا دیا ہے۔ ہماری فیڈٹ (FATF) کی گروے لسٹ میں موجودگی اور FATF سے سہولت کے لیے مذاکرات کا دوبارہ آغاز انتہائی اہم مسائل ہیں، جن کی امید ہے بہت سارے ریفارمز درک، جو کئے جاسکے ہیں، حل کے قریب ہیں۔ انفرادی، اداروں اور حکومت کی سطح پر غیر یقینی کے بادل معیشت کو منفی طور پر متاثر کر رہے ہیں۔ حالیہ شدید بارشوں اور گلشیر کے پگھلنے سے شدید سیلابی صورتحال نے فصلیں تباہ کر دیں، تمام انفراسٹرکچر کو نقصان پہنچایا اور ہزاروں افراد بے گھر ہو گئے۔ یہ ہمارے قبیل و مسائل پر اضافی بوجھ ڈالے گا۔

### آپریٹنگ اور مالیاتی نتائج

آپ کی کمپنی کے بورڈ اور انتظامیہ درپیش مشکلات سے پوری طرح سے آگاہ ہیں اور اس کے حل کے لیے تمام ممکنہ اقدامات اٹھا رہے ہیں۔ علاوہ ازیں، آپ کا مضاربہ اپنی کاروباری حکمت عملی کا مسلسل جائزہ لیتا رہا ہے تاکہ نئے گاروباری مواقعوں سے فائدہ اٹھائے اور موجودہ مسائل / خطرات سے نپٹے۔ کمپنی کی ترجیح میں کاروباری خطرے کے ارتکاز (concentration-risk) سے بچاؤ، کوشش کر رہے ہیں کہ مالگڈاری (revenue) کے متبادل ذرائع ڈھونڈے اور سخت کوشش کر رہے ہیں کہ سرٹیفکیٹ کنندگان کی قدر میں اضافہ کیا جائے۔ فی الحال، مضاربہ نے اپنی سرمایہ کاری اور

دیگر کاروباری سرگرمیوں میں تبدیلی کا فیصلہ کیا ہے اور موجود مالگڈ اری کے ذرائع سے فائدہ اٹھایا جائے۔ کاروبار میں تبدیلی کے لیے ۳۳ فیصد رائٹ ایجو کے اجراء سے اضافہ مالیاتی ذرائع پیدا کیے ہیں۔

مضاربہ غیر معینہ مدت کے لیے ایک کثیر المقاصد ہے اور وہ ابھرنے والی فیلڈز کے لئے تعمیر نو اور تبدیلی کر سکتا ہے تاکہ وہ سرٹیفیکیٹ کنندگان کے لیے قدر میں اضافہ کر سکے۔

## مالیاتی کارکردگی

2021	2022	
روپے	روپے	
41,420,207	88,619,923	مالگڈ اری
(7,634,370)	(50,228,363)	اخراجات
33,785,837	38,391,560	خالص منافع
(6,757,167)	(7,678,312)	دستوری ذخائر میں منتقلی
(6,928)	216,849,948	دیگر جامع آمدنی
1.92	0.72	آمدنی فی سرٹیفیکیٹ (روپے)

مضاربہ آرڈیننس ۱۹۸۰ کے تحت، مضاربہ کی مینجمنٹ کمپنی مضاربہ کے منافع کا ۲۰ فیصد تک کی فیس کی حقدار ہے۔ علاوہ ازیں، بورڈ آف ڈائریکٹرز نے فیض کیا ہے کی اس سال کی مینجمنٹ کی فیس ۹.۵۲۹ ملین روپے کر دی جائے (گذشتہ سالوں کی خدمات کے لیے بھی)

### MODAM ٹریڈنگ کی علامت : PSX

104 اکتوبر 2022 پر روپے 6.40 فی سرٹیفیکیٹ	:	مارکیٹ میں قیمت
فعال ٹریڈنگ	:	ٹریڈنگ اسٹیٹس

## دستوری ذخائر میں منتقلی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے اجراء کردہ پروڈیمنٹل ضوابط کے مطابق، مضاربہ کے لیے ضروری ہے کہ وہ اپنے بعد از منافع کا کم سے کم ۲۰ فیصد اور زیادہ سے زیادہ ۵۰ فیصد دستوری ذخائر میں جمع کروائے۔ بورڈ آف ڈائریکٹرز نے دستوری ذخائر میں جمع کروانے کے لیے ۲۰ فیصد مختص کر دیا ہے۔

## منقسمہ منافع

کمپنی کے مستقبل کے مالیاتی منصوبے کی وجہ سے، بورڈ آف ڈائریکٹرز نے فیصلہ کیا ہے کہ اس مالی سال کے لیے منقسمہ منافع کا اعلان نہ کیا جائے۔

## مستقبل کا منظر نامہ

آپ کا مضاربہ، پہلے لیونگ / اجارہ، مراجہ، مشارکہ فنانسنگ اور پیٹروئل اور ڈیزل کے اسٹیشن کے آپریشن کے کاروبار میں مصروف رہتا رہا ہے۔ لیکن مضاربہ کی نئی مینجمنٹ کمپنی کو منتقلی کے بعد، مضاربہ کی توجہ کامرکز تبدیل ہو کر ٹریڈنگ، اسلامک وینچر کیپیٹل، نجی ملکیتی سرمایہ (equity) اور مالیاتی ذرائع کو متحرک کر کے اور ماہر کاروباری اشخاص کو شامل کر کے جن کا اداراتی اور مالیاتی تنظیم نو / بحالی ممکن ہو اس پر کام کرنے پر ہو گیا ہے۔

مضاربہ کے بورڈ آف ڈائریکٹرز نے ۱۳ ستمبر ۲۰۲۱ کو منعقد اجلاس میں ۳۳۱ فیصد رائٹ ایشو کا اعلان کیا ہے۔ رائٹ ایشو سے ۶۱۰ ملین روپے کی حاصل شدہ رقم (بشمول رائٹ ایشو کے غیر سبسکرائب شدہ حصے) کے طریقہ کار کے مطابق ۳۱ جنوری ۲۰۲۲ تک مکمل ہوئی۔ مضاربہ اپنی خدمات (مالیاتی ضمانت، مالیاتی مشاورت اور مالیاتی خدمات)، وینچر کیپیٹل اور ٹیکنالوجی کے کاروبار پر تبدیل کر رہا ہے۔ یہ سرمایہ کاری یا تو براہ راست مضاربہ میں آئے گی یا دیگر قانونی اداروں میں بطور تدویراتی ملکیتی سرمایہ کے بشرطیکہ وہ ادارے شریعہ کی تعمیل پر عمل پیرا ہوں۔ مضاربہ کو اگر ضرورت پڑی تو تبدیل شدہ مقاصد / تنوع کے نفاذ کے لئے باہمی اشتراک اور ٹیکنیکل شراکت داروں کی تلاش جاری رہے گی۔

## بیرونی آڈیٹرز

موجودہ آڈیٹرز میسرز KPMG تاثیر باہدہ اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس ریٹائر ہو رہے ہیں اور انہوں نے اپنے دوبارہ انتخاب کے لیے اپنی خدمات پیش نہیں کی ہیں۔ آپ کے مضاربہ کی آڈٹ کمیٹی نے میسرز: کرسٹن حیدر بھیم جی، چارٹرڈ اکاؤنٹینٹس کا نام تجویز کیا ہے کہ ان کو اگلی مدت کے لئے منتخب کر لیا جائے جو رجسٹرار مضاربہ، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی منظوری سے مشروط ہے۔

## اداراتی نظم و ضبط کا ضابطہ

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی متعارف کردہ اداراتی نظم و ضبط کے ضابطہ (اور پاکستان اسٹاک ایکسچینج لمیٹڈ نے اپنے لسٹنگ رولز میں ترتیب دیے ہیں) کی پوری طرح تعمیل کی گئی ہے۔ اس سلسلے میں ایک اس رپورٹ کے ساتھ منسلک ہے۔

اداراتی نظم و ضبط کا ضابطہ کی تعمیل

ضابطہ کی تعمیل کرنے کے سلسلے میں آپ کے مضاربہ کے بورڈ آف ڈائریکٹرز کا بیان درج ذیل ہے؛

- آپ کے مضاربہ کی انتظامیہ کی تیار کردہ مالیاتی دستاویزات اس کے آپریشن کے نتائج، کیش فلو اور ملکیتی سرمایہ (equity) میں تبدیلی کی مناسب صورت حال پیش کرتی ہیں۔
- مناسب طور پر کاؤنٹس کی کتابوں کو رکھا گیا ہے۔
- آپ کے مضاربہ نے مالیاتی دستاویزات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل سے نافذ کیا گیا ہے اور اکاؤنٹنگ کے تخمینوں کی بنیاد مناسب اور محتاط اندازے ہیں۔

- بین الاقوامی فنانشل رپورٹنگ اسٹینڈرڈز، جو پاکستان میں مضاربہ پر لاگو ہوتے ہیں، ان پر مالیاتی دستاویز کی تیاری میں ان پر عملدرآمد کیا گیا اور اس سے انحراف کو مناسب طور سے ظاہر کیا گیا ہے اور وضاحت کی گئی ہے؛
- اندرونی نگرانی کا نظام مستحکم ہے اور اس کو موثر طور پر نافذ کیا جا چکا ہے اور سال کے دوران اس کی نگرانی کی جاتی ہے۔
- آپ کے مضاربہ کی مالیاتی صورت حال کو مد نظر رکھتے ہوئے مضاربہ کے جاری رہنے والے ادارے کے طور پر اس کی صلاحیت پر خاص شبہات نہیں ہیں۔
- زیر جائزہ سال کے دوران، اداراتی نظم و ضبط کی تفصیلات جو لسٹنگ ضوابط میں درج مشقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

### بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے اور ان اجلاس میں شرکت کی تفصیل درج ذیل ہے؛

حاضری	27 اپریل 22	25 فروری 22	15 فروری 22	4 فروری 22	17 دسمبر 21	25 اکتوبر 21	4 اکتوبر 21	27 ستمبر 21	13 ستمبر 21	
5/9	P	P	P	P	P	A	A	P	A	جناب عثمان حسن
7/9	P	P	P	P	A	A	P	P	P	جناب حسین احمد اوزجن
0/4	A	A	A	A						محترمہ عائشہ ریاض
1/1	P									جناب شفیق الرحمان
1/1	P									جناب محمد عثمان
1/1	P									جناب حافظ مدثر عالم
1/1	P									جناب راشد متین خان
3/8		A	P	P	A	P	A	A	A	جناب عبدالقادر مبین
1/8		A	A	A	P	A	A	A	A	جناب عتیق احمد خان
8/8		P	P	P	P	P	P	P	P	محترمہ ہما اعجاز
5/5					P	P	P	P	P	جناب عامر ضیاء
8/8		P	P	P	P	P	P	P	P	جناب آفتاب احمد چوہدری
	6/7	5/7	5/7	5/7	4/7	4/7	4/7	5/7	4/7	

## آڈٹ کمیٹی

مضارہ کے بورڈ آف ڈائریکٹرز نے ترمیم شدہ اداراتی نظم و ضبط کے ضابطہ ۲۰۱۷ کی تعمیل میں تین ارکان پر مشتمل آڈٹ کمیٹی تشکیل دی ہے (برائے مالی سال ۲۰۲۱-۲۰۲۲)۔ جس میں دو ارکان نان ایگزیکٹو ڈائریکٹرز ہیں بشمول کمیٹ کے چیئر مین کے۔ ۳۰ جون ۲۰۲۲ کو اختتام پذیر سال کے دوران کمیٹی کے چار اجلاس ہوئے۔ اداراتی نظم و ضبط کے ضابطے کے تحت مضارہ کے درمیانی مدت کے مالی نتائج کی منظوری کے لیے ہر سہ ماہی میں کم سے کم ایک اجلاس کرنا ضروری ہے۔ بورڈ کے ارکان کی حاضری کی تفصیل درج ذیل ہے؛

حاضری	27 اپریل 22	25 فروری 22	25 اکتوبر 21	27 ستمبر 21	
1/1	P				جناب ع محمد ثمان
0/1	A				جناب حسین احمد اوزجن
1/1	P				جناب عثمان حسن
3/3		P	P	P	محترمہ ہما اعجاز
3/3		P	P	P	جناب عامر ضیاء
2/3		P	A	P	جناب عثمان حسن
	2/3	3/3	2/3	3/3	

P=حاضر

A=غیر حاضر

زیر جائزہ سال کے دوران ہونے والے تمام اجلاس میں چیف فنانشل آفیسر، آڈٹ کمیٹی کے سیکریٹری (سربراہ انٹرنل آڈٹ) نے بھی شرکت کی تھی۔ کمیٹی نے چیف فنانشل

آفیسر اور سربراہ انٹرنل آڈٹ کی غیر موجودگی میں ایکسٹرنل آڈیٹرز سے مجموعی کنٹرول اور گورننس کے ڈھانچے کے بارے میں ان کی رائے جاننے کے لیے علیحدہ سے

ملاقات کی۔

## سرٹیفیکیٹ رکھنے کا رجحان

۳۰ جون ۲۰۲۲ پر سرٹیفیکیٹ رکھے جانے کا رجحان اس رپورٹ کے ساتھ منسلک ہے۔ یہ بیان ضابطے میں کی گئی ترمیم کے مطابق ہیں۔

## فري فلوٹ شيئرز (سرفيڪيٹس)

79,423,945

بقايا شيئرز (سرفيڪيٹس)

نفى

(14,746,591)

مضاربه کے پاس سرفيڪيٹس

(4,168,076)

مادى سرفيڪيٹس (مضاربه کے شامل نہیں ہیں)

60,509,278

## مالیاتی رپورٹنگ

کمپنی نے مضاربه کے سالانہ اور درمیانی مدت کے نتائج کا جائزہ لیا، بحث و مباحثہ کیا اور بورڈ کی منظوری کے لیے تجویز کیا۔ کمپنی نے مضاربه کے چیف فنانسٹل آفیسر، سربراہ انٹرنل آڈٹ اور بیرونی آڈیٹرز کے ساتھ مالیاتی معلومات کی تیاری میں اہم اکاؤنٹنگ پالیسیوں، تخمینوں اور اندازوں کے استعمال پر غور و خوض کیا۔

## رسک مینجمنٹ پالیسی

بورڈ، اصولی طور پر رسک مینجمنٹ کمیٹی کے ذریعے سے رسک مینجمنٹ میں بنیادی کردار ادا کرتا ہے۔ مضاربه کے کاروبار کو درپیش آپریشنل، تذبذباتی، ٹیکنالوجیکل، سائبرٹیک، شہرت سے متعلق، ماحولیاتی، ہیلتھ اینڈ سیفٹی اور دیگر رسکس پر غور و خوض اور ان کا انتظام کرنے کے لیے پروگرامز تشکیل دیے جا چکے ہیں۔

ان کامیٹی کے ساتھ پابندی سے جائزہ لیا جاتا ہے۔

تمام آپریشنل یونٹس اپنے پلاننگ کے پراسس میں رسک مینجمنٹ میں شامل کرتے ہیں تاکہ؛

- مضاربه میں رسک کم سے کم رہے
- اس بات کو یقینی بنایا جائے کہ رسک مینجمنٹ کو مضاربه کے اداراتی نظم و ضبط کے نظام اور مینجمنٹ ڈھانچے میں شامل کیا جائے۔
- اس بات کو یقینی بنایا جائے کہ مضاربه میں اہم رسکس کی شناخت کی جائے اور مناسب حکمت عملی ان سے نمٹنے کے لیے موجود ہوں۔
- رسک مینجمنٹ پنٹے کے لیے موثر اور تیزی سے عمل کرنے والے طریقہ کار تیار کیے جائیں۔

## تذویراتی منصوبہ بندی

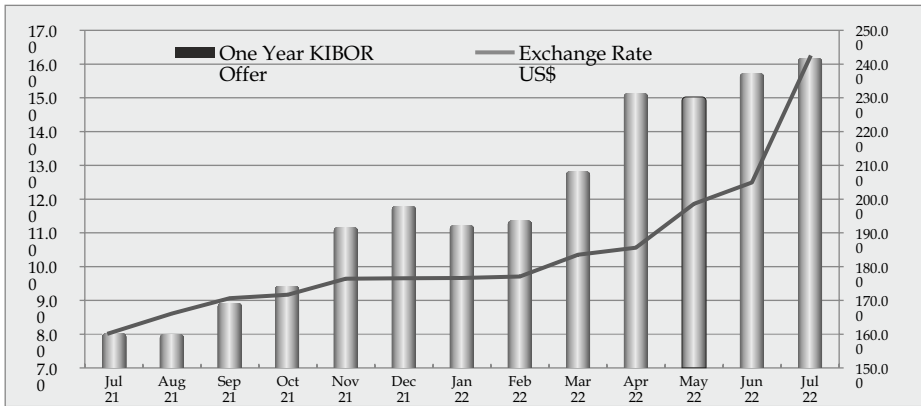
مضاربہ کی بنیادہ پالیسی یہ ہے کہ حکمت عملی کے طور پر اپنے آپ کو ایسی صورت حال میں رکھے کہ عالمی معیار کی خدمات فراہم کرنے والے / اعلیٰ معیار کی مصنوعات بنانے والے کے طور اپنی شناخت منوانے کا نصب العین (vision) حاصل کرے اور صارف اور شرکاء مفاد (stakeholders) کی قدر فراہم کرے؛ اور

۱. یہ بات یقینی بنائی جائے کہ تذویراتی مقام کے حصول کے بارے میں فیصلے اندرونی / بیرونی ماحول کو مد نظر رکھ کر جامع اور مشترکہ سوجھ بوجھ کو مد نظر رکھ کر بنائی جائے۔
۲. مضاربہ کی پوزیشن کے انضمام اور استحکام کے لیے نئے کاروباری مواقعوں کی شناخت اور ان پر غور و خوض کیا جائے۔
۳. تسلسل سے مسابقتی فائدہ اٹھانے کے لیے پروڈکٹس اور باہمی فائدہ دینے والی شراکت داری کو تشکیل دیا جائے۔
۴. اس بات کو یقینی بنائیں کہ مضاربہ کے پاس ایک مضبوط اور موثر طور پر ہم آہنگ پلاننگ اور بجٹ کا پراسسز ہوں جس میں جائزہ لینے اور مسلسل بہتری کا میکینزم شامل ہو۔

## انسانی وسائل

مضاربہ مساوی ملازمت کے کے مواقعے فراہم کرنے پر پرعزم ہے۔ وہ بطور کمیونٹی کے رکن ہونے اور بطور آجر کے ملازمت کے ہر ایریا میں بلا امتیاز فعال اور مثبت پروگرام جاری رکھے گا۔

روزگار سے متعلق فیصلے تعلیم اور میرٹ پر مساوی مواقع اور رسائی فراہم کر کے کئے جاتے ہیں۔ علاوہ ازیں، مضاربہ اس بات کو یقینی بنائے گا کہ مناسب امیدوار کے انتخاب کے لیے منصفانہ، تسلسل سے موثر اور تیزی سے بھرتی اور انتخاب کا طریقہ کار موجود ہو۔





آپ کے مضاربہ دوبارہ سے تشکیل شدہ انسانی وسائل اور مشاہرہ کمیٹی (معاوضہ کمیٹی) موجود ہے۔

1	جناب حسین احمد اوجکین	چیئر مین
2	جناب صدیق الرحمان خرم	رکن
3	جناب محمد عثمان	رکن

سال کے دوران آپ کے مضاربہ کی انسانی وسائل اور مشاہرہ کمیٹی ایک مرتبہ ۲۵ مئی ۲۰۲۲ء پر اجلاس منعقد ہوا تھا۔

انسانی وسائل اور مشاہرہ کمیٹی کے قواعد و ضوابط (Terms of Reference)

کمیٹی کی ذمہ داری ہوگی کہ وہ بورڈ کو درج ذیل معاملات کو برقرار رکھنے کے لیے تجاویز دے:

۱. مضاربہ کے لیے ایک مضبوط آرگنائزیشن کا منصوبہ دے۔
۲. ایک موثر ملازمین کی ترقی کا پروگرام دے
۳. ایک مضبوط معاوضہ اور فوائد کا پلان، پالیسیاں اور ان پر عملدرآمد کے طریقہ کار جو اس طرح ڈیزائن کیا گیا ہو کہ کاروبار کے موثر انتظام کو پورا کرنے کے لیے باصلاحیت عملے کو مضاربہ میں کھینچ کر لایا اور روک سکے۔
۴. ادارے، فنکشنز اور تعلقات جو انتظامی پوزیشنز کو متاثر کر رہی ہیں جو اہمیت میں مینجمنٹ پوزیشنز کے شیڈیول کے برابر ہوں، ان میں تبدیلی کا تخمینہ لگا کر منظوری کے لیے تجویز دی جائے۔
۵. انتظامیہ کی مختلف سطح پر عملے کے معالے پر کیے جانے والے فیصلوں کے لیے مناسب اختیارات کی حدود اور منظوری کے طریقہ کار کا تعین کرنا۔
۶. ملازمین کی ارتقاء کا نظام کا جائزہ لینا تاکہ اس باتوں کو یقینی بنایا جاسکے:
  - a. مضاربہ کی سینئر مینجمنٹ کی ضروریات کو جانچا جاسکے
  - b. اہم ملازمین کی پیشگی شناخت اور ارتقاء کو فراہم کیا جاسکے۔
  - c. اعلیٰ عہدے دار کی مخصوص جانشینی کے منصوبوں کو آگے لایا جائے۔
  - d. ٹریننگ اور ارتقاء کے منصوبے
۷. معاوضہ اور فوائد
  - a. بورڈک و انسانی وسائل کی مینجمنٹ پالیسی کی سفارشات دینا
  - b. چیف ایگزیکٹو کے انتخاب، تشخیص (evaluation)، معاوضہ (بشمول ریٹائرمنٹ کے فوائد) اور اس کی جانشینی کی منصوبہ بندی کی بورڈ کو سفارش کرنا۔

c. چیف ایگزیکٹو کو رپورٹ کرنے والے عہدے داروں، CFO، COO، مزاربہ سیکریٹری، سربراہ انٹرنل آڈٹ اور دیگر اعلیٰ عہدے داروں کے انتخاب، تشخیص (evaluation)، معاوضہ (بشمول ریٹائرمنٹ کے فوائد) اور اس کی جانشینی کی منصوبہ بندی کی بورڈ کو سفارش کرنا۔

## اعتراف / ستائش

ہماری خواہش ہے کہ ہم اپنے قابل قدر گاہکوں کے ہماری خدمات پر ممنونیت کو رکھنے پر لانا چاہتے ہیں اور عہد کرتے ہیں کہ اپنی خدمات کے معیار میں مسلسل بہتری کے ساتھ خدمات فراہم کریں گے۔ ہم اپنے ساتھیوں، انتظامیہ ور دیگر عملے کا بھی شکریہ ادا کرنا چاہتے ہیں جو اپنے کام سے پر عزم ہیں جن کی کوششوں سے آپ کے مزاربہ کی کامیابی ممکن ہوئی۔ ہر سٹیکہولڈر کنڈگان کا مزاربہ پر اعتماد کرنے پر بھی شکریہ ادا کرنا چاہتے ہیں اور مزاربہ میں سرمایہ کاری کرنے پر انہیں بہترین ریوارڈ کا یقین دلاتے ہیں۔

بورڈ کی جانب سے

جناب صدیق الرحمان خرم

چیف ایگزیکٹو آفیسر

بتاریخ: ۲۴ اکتوبر ۲۰۲۲

لاہور

## KEY OPERATING AND FINANCIAL DATA

### Financial Highlights

#### Balance Sheet

		June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
<b>Equity</b>									
Issued, subscribed and paid-up certificate capital	Rs. in million	184.24	184.24	184.24	184.24	184.24	184.24	184.24	794.24
Statutory Reserves	Rs. in million	57.01	58.45	59.75	62.07	63.16	66.88	73.64	81.32
Other Reserves	Rs. in million	(82.48)	(83.15)	(81.62)	(77.84)	(14.10)	(2.37)	11.76	251.99
	Rs. in million	158.77	159.54	162.37	168.47	233.30	248.75	269.64	1,127.56
<b>Liabilities</b>									
Murabah & Musharikhah	Rs. in million	-	12.36	-	-	-	-	-	60.00
Customer Security Deposits	Rs. in million	12.17	19.11	18.30	10.56	10.40	7.94	3.88	3.87
Other Liabilities	Rs. in million	34.77	28.32	15.61	16.57	17.36	15.61	15.87	135.39
	Rs. in million	46.94	59.79	33.91	27.13	27.76	23.55	19.75	199.26
<b>Liabilities &amp; Equity</b>	Rs. in million	205.71	219.33	196.28	195.60	261.06	272.30	289.39	1,326.81
<b>Assets</b>									
Assets in Own Use	Rs. in million	73.56	72.33	71.43	70.26	69.33	68.79	68.28	2.38
Assets Leased Out	Rs. in million	82.18	102.17	53.11	13.89	6.70	4.06	-	-
Long Term Investments	Rs. in million	-	-	-	-	-	-	-	922.30
Other Long Term Assets	Rs. in million	-	-	-	-	81.83	76.45	96.95	0.12
Other Current Assets	Rs. in million	37.69	38.90	52.15	64.28	54.02	58.52	70.81	382.24
Cash & bank	Rs. in million	12.28	5.93	19.59	47.17	49.18	64.48	53.35	19.78
<b>Total Assets</b>	Rs. in million	205.71	219.33	196.28	195.60	261.06	272.30	289.39	1,326.81
	Rs. in million	-	-	-	-	-	-	-	-

#### Profit & Loss Account

Dividend Income									40.74
Lease Income / Musharikhah & Morabaha Income	Rs. in million	26.40	47.33	46.58	35.86	8.50	0.14	-	-
Other Income	Rs. in million	13.54	14.85	13.95	21.79	23.90	24.35	23.37	48.70
Capital Gain	Rs. in million	-	-	-	-	3.71	1.49	24.53	-
<b>Total Income</b>	Rs. in million	39.94	62.18	60.53	57.65	36.11	25.98	47.89	89.44
									-
Operating Expenses	Rs. in million	22.52	18.30	14.78	15.82	13.48	13.36	12.61	37.59
Other Expenses	Rs. in million	12.25	38.62	38.49	29.13	13.85	(6.67)	0.70	0.44
Taxation	Rs. in million	0.46	0.58	0.74	1.11	0.82	0.68	0.80	13.02
<b>Net Profit</b>	Rs. in million	4.71	4.68	6.52	11.59	7.96	18.61	33.79	38.39
									-
Certificate Outstanding	Nos.	18,423,945	18,423,945	18,423,945	18,423,945	18,423,945	18,423,945	18,423,945	79,423,945
<b>Analysis</b>									
EPS	Rs./ Certificate	0.26	0.25	0.35	0.63	0.43	1.01	1.92	0.72
Book Value	Rs./ Certificate	8.62	8.66	8.81	9.14	12.66	13.50	14.64	14.20
Debt-Equity Ratio	Times	0.30	0.37	0.21	0.16	0.12	0.09	0.07	0.18
Return on Equity	%	2.97%	2.93%	4.02%	6.88%	3.41%	7.48%	12.53%	3.40%
Dividend Paid	Rs. in million	3.68	3.68	3.68	5.15	9.21	2.94	12.90	6.82
Transferred to Statutory Reserves	Rs. in million	0.94	0.93	1.30	2.32	1.59	3.72	6.76	6.76
Dividend Paid	Rs./ Certificate	0.20	0.20	0.20	0.28	0.50	0.16	0.70	0.37

#### Financial Performance

	2022	2021	2020
Net Profit	38,391,560 Rupees	33,785,837 Rupees	18,607,024 Rupees
Revenue	88,619,923	41,420,207	25,979,587
Expenses	(50,228,363)	(7,634,370)	(7,372,563)



## REPORT OF THE SHARIAH ADVISOR

I have conducted the Shari'ah review of Modaraba Al Mali managed by AssetPlex Modaraba Management Limited for the financial year ended June 2022 in accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas issued by SECP and report that except the observations as reported hereunder, in my opinion:

The Modaraba has introduced a mechanism which has strengthened the Shari'ah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shari'ah principles;

- ii. During the year, the business activities were carried out in the Shariah Compliant manner.
- iii. The agreement(s) entered into by the Modaraba during the period are Shari'ah compliant and all the agreement(s) have been executed on the formats as approved by the Religious Board of SECP and all the related conditions have been met;
- iv. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shari'ah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan, specific AAOIFI Shariah Standards which have been adopted by SECP and the Shari'ah Compliance & Shari'ah Audit Regulations for Modarabas.
- v. The Modaraba does not have any deposit raising product at the moment, therefore no profit sharing ratios, profits and charging of losses (if any) relating to any deposit raising product apply.
- vi. No earnings have been realized from the sources or by means prohibited by Shari'ah.

### Conclusion

In my opinion and to the best of my knowledge and information provided by the Modaraba, I am of the view that during the period overall business activities of the Modaraba are Shariah Compliant.

And Allah knows best.

Mufti Zeeshan Abdul Aziz

Al-Hikmah Shariah Advisory Services Pvt Ltd

Shari'ah Advisor

Modaraba Al Mali

Dated: 30-09-2022

## STATEMENT OF COMPLIANCE (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

### Modaraba Al-Mali For the Year ended June 30, 2022

The Board of Directors (the Board) of AssetPlex Limited, the Modaraba Management Company (here after referred to as the Company) is responsible for the management of affairs of Modaraba Al-Mali (the Modaraba). The Modaraba Management Company has complied with the requirements of the Regulations in the following manner:+

1. The total number of directors are Seven (7) as per the following:

	Nos.		Nos.
Executive Directors	02	Male Directors	06
Non-Executive Directors	03	Female Director(s)	01
Independent Directors	02		

The number of independent directors appointed is less than the number prescribed by the Regulations i.e., at least two or  $\frac{1}{3}$  members of the Board, whichever is higher and is not rounded up as one.

2. The composition of board is as follows:

Mr. Usman Hassan	Chairman/ Independent Director
Mr. Siddique-ur Rehman Khurram	Chief Executive Officer
Ms. Aasiya Riaz	Non-Executive Director
Mr. Hafiz Mudassir Alam	Non-Executive Director
Mr. Muhammad Usman	Non-Executive Director
Mr. Rashid Matin Khan	Executive Director
Mr. Hussain Ahmed Ozgen	Independent Director

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including Modaraba Management Company.
4. The Modaraba Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Modaraba Management Company along with its supporting policies and procedures.
5. The board has developed a vision / mission statement, overall corporate strategy, and significant policies of the Management Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Modaraba Management Company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency and recording, however, the circulation of minutes of meeting of board was not complied with.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The board of the Management Company was reconstructed during the year and the newly appointed directors are required to obtain, the directors training program certification within a period of one year from the date of appointment as a director. The period of one year has not lapsed yet and the management is currently in process of arranging the training program for the newly appointed directors.
10. The board has approved appointment of Chief Financial Officer, 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. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The board has formed committees comprising of members given below:

1. Audit Committee		2. Human Resource and Remuneration Committee	
Mr. Hussain Ahmed Ozgen	Chairman	Mr. Hussain Ahmed Ozgen	Chairman
Mr. Muhammad Usman	Member	Mr. Siddique Ur Rehman Khurram	Member
Mr. Usman Hassan	Member	Mr. Muhammad Usman	Member
Mr. Mansoor Ahmed	Secretary	Mr. Rashid Matin Khan	Secretary

3. Risk Committee		4. Nomination Committee	
Mr. Usman Hassan	Chairman	Mr. Usman Hassan	Chairman
Mr. Hussain Ahmed Ozgen	Member	Mr. Hafiz Mudassir Alam	Member
Mr. Siddique Ur Rehman Khurram	Member	Mr. Siddique Ur Rehman Khurram	Member
Mr. Rashid Matin Khan	Secretary	Mr. Rashid Matin Khan	Secretary

13. The terms of reference of the Board audit committee and Human Resource and Remuneration committee have been formed, documented, and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee was as follows:
  - i. Audit Committee: Four quarterly meetings
  - ii. HR and Remuneration Committee: One annual meeting
  - iii. Risk Management Committee: No meeting held during the year
  - iv. Nomination Committee: No meeting held during the year
15. The Board has outsourced the internal audit function to M/s Junaidy Shoaib Asad Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Modaraba Management Company.
16. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are

in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Modaraba and its Management Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 except for regulations 6(1) and 27(5) of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Requirement	Explanation for Non -Compliance	Regulation No.
1	Board of directors are responsible for the governance of risk and for determining the company's level of risk tolerance by establishing risk management policies. Also, do the board undertake at least annually, an overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the Company and shareholders.	The Board has not formalized and published any policy in respect of risk management. However, when a situation / transaction arises which requires them to undertake the review of business risks, the Board analyzes the related risk and decision is made considering the relevant factors which might impose threats to the entity. Furthermore, the Board has implemented proper governance structure and ensures that the management maintains a sound system for identification of risks.	10(2)
2	The Board of the company shall ensure that a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees.	The Board has adopted a policy of formal evaluation, but no evaluation was conducted during the year. Since the Board, has not completed a full year due to reconstitution, therefore annual evaluation of directors was not conducted.	10(3)(v)
3	The Chairman of the Board shall, at the beginning of term of each director, issue letter to directors setting out their role, obligations, powers and responsibilities in accordance with the Act and company's Articles of Association, their remuneration and entitlement.	No letter was issued to the directors as all the directors are experienced and are well aware of their role, obligations, powers and responsibilities in accordance with the Act and the Modaraba's Articles of Association. Moreover, their remuneration was discussed in the meeting of the board.	10(5)

S. No.	Requirement	Explanation for Non -Compliance	Regulation No.
4	The Chairman shall ensure that minutes of the meetings of the Board are kept in accordance with the requirements of section 178 and 179 of the Companies Act, 2017.	Section 178(4) of the Companies Act, 2017 require that draft minutes of meeting of board shall be furnished to every director within fourteen days of the date of meeting. The minutes were not circulated, however, the same were discussed in the next meeting and approved by the Board.	12(1)
5	<p><b>Head of Internal Audit</b></p> <p>a) has three years of relevant experience in audit or finance or compliance function and is a member of the Institute of Chartered Accountants of Pakistan or Institute of Cost and Management Accountants of Pakistan or;</p> <p>b) has five years of relevant experience in audit or finance or compliance function; and</p> <p>i. is a Certified Internal Auditor; or</p> <p>ii. is a Certified Fraud Examiner; or</p> <p>iii. is a Certified Internal Control Auditor; or</p> <p>iv. has a post graduate degree in business, finance from a university or equivalent recognized and approved by the HEC and is a member of a professional body relevant to such qualification, if applicable or;</p> <p>c) has at least seven years of managerial experience in fields of audit or accounting or in managing financial or corporate affairs functions of a company and has a suitable degree from a university in Pakistan or abroad equivalent to graduate degree, recognized and approved by the HEC. The SECP, on application from the company, shall determine the suitability of such candidate</p>	The coordinator appointed by the board have completed his post-graduate degree except the submission thesis subject to which the degree shall be issued. The operations of Modaraba and its Management Company are limited and the management believes that the coordinator presently appointed is competent to perform the duties.	23



S. No.	Requirement	Explanation for Non -Compliance	Regulation No.
6	<p>The names of Members of board committees shall be disclosed in each Directors' Report of the listed company and companies may post brief synopsis of TORs of such committees on their website.</p> <p>The Directors in their report to members state the remuneration policy of non -executive directors including independent directors, as approved by the board of directors.</p>	<p>Under the Modaraba Companies and Modaraba Rules, 1981, the modarabas are managed by the management company which manage the operations of the Modaraba. Accordingly, the board of directors along with their remuneration policy is decided by the Management Company. The Modaraba Management Company has disclosed the said policy in its annual report.</p>	34(2)
7	<p>The company's Annual Report shall contain details of aggregate amount of remuneration separately of executive and non - executive directors, including salary/fee, perquisites, benefits and performance -linked incentives etc. and companies may provide aforesaid details of remuneration of individual directors in annual report</p>	<p>Under the Modaraba Companies and Modaraba Rules, 1981, the modarabas are managed by the management company which manage the operations of the Modaraba. Accordingly, the board of directors along with their remuneration is decided by the Management Company. During the year, no remuneration was paid by Modaraba to the directors.</p>	34(3)

-Sd-

**Usman Hassan**

Chairman

Dated: October 04, 2022

Lahore

**INDEPENDENT AUDITOR’S REVIEW REPORT**  
**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of AssetPlex Limited, the Modaraba Management Company of Modaraba Al-Mali (the Modaraba) for the year ended 30 June 2022, in accordance with the requirements of regulation 36 of the aforesaid 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 Management Company’s compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Modaraba’s, and Modaraba Management Company’s personnel and review of various documents prepared by the Modaraba Management Company to comply with the Regulations.

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

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

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 Management Company for the year ended 30 June 2022.

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

**S. No. Paragraph reference Description**

1. 1 The number of independent directors appointed is less than the number prescribed by the Regulations i.e., at least two or 1/3 members of the Board, whichever is higher and is not rounded up as one.
2. 7 The Board has not complied with the requirements of the Regulations with respect to circulation of minutes of the meetings of audit committee.

Lahore

Date: 20 October 2022

UDIN: CR202210089md5exPyaL

KPMG Taseer Hadi & Co.

Chartered Accountants

## AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of Modaraba Al-Mali as at 30 June 2022 and the related statement of profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended.

These financial statements are AssetPlex Limited's (Modaraba Company) responsibility which 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 misstatements. 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 Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our unmodified opinion and we report that:

- a) In our opinion, proper books of account have been kept by the Modaraba Company in respect of Modaraba Al-Mali as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI OF 1980), and Modaraba Companies and Modaraba Rules, 1981;
- b) **in our opinion:**
  - i) the balance sheet and statement of 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.
- c) In our opinion and to the best of our information and according to explanations given to us, the balance sheet, statement of profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof confirm with the approved accounting standards as applicable in Pakistan and give the information required by the Modaraba companies and the Modaraba (Floatation and Control) Ordinance ,1980 (XXXI of 1980) and the Modaraba Companies and the 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 30 June 2022 and of the profit, 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.

## Other Matter

The financial statements of the Modaraba for the year ended 30 June 2021 were audited by another auditor who expressed an unmodified opinion in their audit report dated 05 October 2021.

Dated: October 20, 2022  
Karachi  
UDIN: AR202210089bILZhk25w

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Fahad Bin Waheed

# Modaraba Al-Mali

## BALANCE SHEET AS AT JUNE 30, 2022

ASSETS	Note	2022 Rupees	2021 Rupees
<b>Non-current assets</b>			
Property and equipment	5	2,384,468	68,284,637
Investment property	6	-	96,616,000
Long-term investments	7	922,299,756	-
Long-term portion of diminishing musharaka	8	117,322	334,552
		<u>924,801,546</u>	<u>165,235,189</u>
<b>Current assets</b>			
Inventory		-	2,280,388
Tax refunds due from government	9	18,540,284	27,359,468
Current portion of diminishing musharaka		455,176	3,855,624
Ijarah finance	10	3,755,007	3,755,007
Advances, deposits, prepayments and other receivables	11	249,744,611	32,190,982
Investments	12	13,124,176	1,364,300
Cash and bank balances	13	19,778,001	53,350,982
		<u>305,397,255</u>	<u>124,156,751</u>
Asset held for sale	14	96,616,000	-
		<u>402,013,255</u>	<u>124,156,751</u>
<b>Total assets</b>		<u><b>1,326,814,801</b></u>	<u><b>289,391,940</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term portion of security deposits	15	-	115,000
Deferred tax liabilities	16	104,594	-
		<u>104,594</u>	<u>115,000</u>
<b>Current liabilities</b>			
Musharaka finance		60,000,000	-
Creditors, accrued and other liabilities	17	22,726,605	6,223,746
Security deposits		3,797,138	3,762,138
Unclaimed profit distribution		10,358,639	9,649,240
		<u>96,882,382</u>	<u>19,635,124</u>
Liabilities directly associated with the asset held for sale	14	102,272,770	-
		<u>199,155,152</u>	<u>19,635,124</u>
<b>Total liabilities</b>		<u><b>199,259,746</b></u>	<u><b>19,750,124</b></u>
<b>Net assets</b>		<u><b>1,127,555,055</b></u>	<u><b>269,641,816</b></u>
<b>Represented by:</b>			
<b>Capital and reserves</b>			
Authorised certificate capital 80,000,000 (2021: 30,000,000) Modaraba certificates of Rs.10 each	18	800,000,000	300,000,000
Issued, subscribed and paid-up certificate capital	18	794,239,450	184,239,450
Capital reserves	19	400,147,966	140,686,223
Revenue reserves		(66,832,361)	(55,283,857)
		<u>1,127,555,055</u>	<u>269,641,816</u>
<b>Contingencies and commitments</b>	20		

The annexed notes from 1 to 39 form an integral part of these financial statements.

AssetPlex Limited  
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

**STATEMENT OF PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>Continuing operations</b>			
Dividend income	21	40,739,183	-
Income from deposits with Islamic banks	22	3,107,264	4,365,423
Income on diminishing musharaka transactions		206,814	1,016,300
		44,053,261	5,381,723
Realised / unrealised appreciation on investments classified as financial assets at FVTPL-net	23	17,269,140	24,336
Other income		90,793	-
Administrative and operating expenses	24	(24,126,160)	(6,938,057)
		37,287,034	(1,531,998)
Management fee		(10,768,510)	(4,587)
Provision for workers' welfare fund	25	(1,875,500)	(691,726)
<b>Operating profit / (loss)</b>		24,643,024	(2,228,311)
Musharaka finance cost		(435,419)	-
<b>Profit / (loss) before tax</b>		24,207,605	(2,228,311)
Taxation	26	(13,022,774)	-
<b>Profit / (loss) from continuing operations</b>		11,184,831	(2,228,311)
<b>Discontinued operations</b>			
Profit from discontinued operations, net of tax	27	27,206,729	36,014,148
<b>Profit for the year</b>		38,391,560	33,785,837
<b>Earnings per certificate - basic &amp; diluted</b>	28	0.72	Restated 1.92
<b>Earnings per certificate - basic &amp; diluted (from continuing operations)</b>	28	0.21	(0.13)

The annexed notes from 1 to 39 form an integral part of these financial statements.

**AssetPlex Limited**  
**(Modaraba Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

Director

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>Profit for the year</b>		<b>38,391,560</b>	33,785,837
<b>Items that will not be reclassified to profit and loss account</b>			
Equity investments at FVOCI – net change in fair value		<b>252,294,840</b>	-
Remeasurement of post-employment benefit obligations - net of tax	11	<b>(308,153)</b>	(6,928)
<b>Total comprehensive income for the year</b>		<b><u>290,378,247</u></b>	<b><u>33,778,909</u></b>

The annexed notes from 1 to 39 form an integral part of these financial statements.

**AssetPlex Limited**  
**(Modaraba Management Company)**

\_\_\_\_\_  
 Chief Financial Officer

\_\_\_\_\_  
 Chief Executive Officer

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>Cash flows from operating activities</b>			
Profit for the year		38,391,560	33,785,837
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation on property and equipment		200,605	510,022
Dividend income		(39,239,183)	-
Realised / unrealised appreciation on investments classified as financial assets at FVTPL-net		(17,269,140)	(24,336)
Other income		(90,793)	-
Provision for Workers' Welfare Fund		1,875,500	691,726
Finance income on defined benefit asset		(10,582)	-
Provision for impairment on tower and allied equipment		350,000	-
Management fee		10,768,510	-
Musharaka finance cost		435,419	-
Taxation		44,260,978	800,468
Fair value adjustment on investment property		-	(24,525,600)
Gain on sale of discontinued operation		(52,329,436)	-
		<u>(51,048,122)</u>	<u>(22,547,720)</u>
		(12,656,562)	11,238,117
<b>Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Receivable against Ijarah rentals and maintenance service		-	12,647,513
Advances, deposits, prepayments and other receivables		(235,417,431)	(28,416,320)
Inventory		2,280,388	(711,020)
		<u>(233,137,043)</u>	<u>(16,479,827)</u>
<b>Increase / (decrease) in current liabilities</b>			
Creditors, accrued and other liabilities		3,282,813	(1,676,612)
Security deposits		(80,000)	(4,064,000)
		<u>3,202,813</u>	<u>(5,740,612)</u>
Acquisition of investments		(223,609,373)	(1,339,964)
Proceeds from sale of investments		257,514,674	-
		<u>33,905,301</u>	<u>(1,339,964)</u>
		(208,685,491)	(12,322,286)
<b>Cash used in operations</b>		<u>(7,540,154)</u>	<u>1,226,232</u>
Income taxes (paid) / refunded		(216,225,645)	(11,096,054)
<b>Net cash used in operating activities</b>			
<b>Cash flows from investing activities</b>			
Long term investments purchased during the year		(670,472,285)	-
Dividend income received during the year		28,982,291	-
Acquisition of property and equipment		(2,321,000)	-
Disposal of assets under Ijarah arrangements		-	4,064,000
Proceeds against assets held for sale		74,601,589	-
Proceeds from discontinued operations		120,000,000	-
Proceeds from diminishing musharaka		3,617,678	7,557,098
<b>Net cash (used in) / generated from investing activities</b>		<u>(445,591,727)</u>	<u>11,621,098</u>
<b>Cash flows from financing activities</b>			
Receipt of right issue subscription		610,000,000	-
Receipt against musharaka finance		60,000,000	-
Expenses incurred on issuance of right certificates		(35,648,148)	-
Profit distributed to certificate holders		(6,107,461)	(11,653,635)
<b>Net cash generated from / (used in) financing activities</b>		<u>628,244,391</u>	<u>(11,653,635)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(33,572,981)</u>	<u>(11,128,591)</u>
<b>Cash and cash equivalents at beginning of the year</b>		53,350,982	64,479,573
<b>Cash and cash equivalents at end of the year</b>	13	<u>19,778,001</u>	<u>53,350,982</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.

AssetPlex Limited  
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director



# Modaraba Al-Mali

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

	Capital reserves				Revenue reserves		Total reserves	Total equity
	Paid-up certificate capital	Premium on issue of certificates	Statutory reserve (Note)	Revaluation reserve	Fair value reserve	Accumulated loss		
----- Rupees -----								
Balance as at July 1, 2020	184,239,450	511,409	66,885,417	66,532,230	-	(69,408,837)	64,520,219	248,759,669
<b>Total comprehensive income</b>								
Profit for the year ended June 30, 2021	-	-	-	-	-	33,785,837	33,785,837	33,785,837
Other comprehensive income for the year								
- Remeasurement of post-employment benefit obligations	-	-	-	-	-	(6,928)	(6,928)	(6,928)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	33,778,909	33,778,909	33,778,909
<b>Transactions with owners of the Modaraba recognized directly in equity</b>								
Final cash dividend of Rs. 0.70 per certificate for the year ended June 30, 2020	-	-	-	-	-	(12,896,762)	(12,896,762)	(12,896,762)
Transfer to statutory reserve	-	-	6,757,167	-	-	(6,757,167)	-	-
Balance as at June 30, 2021	184,239,450	511,409	73,642,584	66,532,230	-	(55,283,857)	85,402,366	269,641,816
<b>Total comprehensive income</b>								
Profit for the year ended June 30, 2022	-	-	-	-	-	38,391,560	38,391,560	38,391,560
Other comprehensive income for the year								
- Fair value gain on investments measured through FVOCI	-	-	-	-	252,294,840	-	252,294,840	252,294,840
- Remeasurement of post-employment benefit obligations	-	-	-	-	-	(308,153)	(308,153)	(308,153)
<b>Total comprehensive income for the year</b>	-	-	-	-	252,294,840	38,083,407	290,378,247	290,378,247
<b>Transactions with owners of the Modaraba recognized directly in equity</b>								
Right issue at Rs. 10 per certificate	610,000,000	-	-	-	-	-	-	610,000,000
Expenses incurred on issuance of right certificates	-	(511,409)	-	-	-	(35,136,739)	(35,648,148)	(35,648,148)
Final cash dividend of Rs. 0.37 per certificate for the year ended June 30, 2021	-	-	-	-	-	(6,816,860)	(6,816,860)	(6,816,860)
Transfer to statutory reserve	610,000,000	(511,409)	-	-	-	(41,953,599)	(42,465,008)	567,534,992
Transfer to statutory reserve	-	-	7,678,312	-	-	(7,678,312)	-	-
<b>Balance as at June 30, 2022</b>	<b>794,239,450</b>	<b>-</b>	<b>81,320,896</b>	<b>66,532,230</b>	<b>252,294,840</b>	<b>(66,832,361)</b>	<b>333,315,605</b>	<b>1,127,555,055</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.

**Note:** The statutory reserve represents profit set aside as required under the Modaraba Regulations, 2021 for Modarabas, as issued by the Securities and Exchange Commission of Pakistan.

AssetPlex Limited  
(Modaraba Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 1. Legal status and nature of business

- 1.1 Modaraba Al-Mali (the "Modaraba") is a multipurpose and perpetual Modaraba floated in Pakistan on July 8, 1987 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 ("Modaraba Ordinance, 1980"), and Modaraba Companies and Modaraba Rules, 1981 ("Modaraba Rules, 1981"), and is being managed by AssetPlex Modaraba Management Limited (the "Management Company"), a company registered under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The name of the Modaraba Management Company has been changed to Assetplex Modaraba Management Limited with effect from August 10, 2021. The Modaraba is listed on the Pakistan Stock Exchange Limited. The registered office of the Modaraba is relocated to 505, 5th Floor, LSE Plaza, Kashmir-Edgerton Road, Lahore, in the province of Punjab (previously situated at 10th floor, Progressive square, Shahrah-e-Faisal, Karachi, in the province of Sindh).
- 1.2 BankIslami Pakistan Limited has disposed off its ownership stake in the management company which has now been acquired by a new group. Upon transfer to the new management, Modaraba's focus has been changed from conventional Islamic financing modaraba to undertaking Islamic venture capital, private equity and corporate & financial restructuring / rehabilitation transactions of potentially viable companies through resource mobilization.
- 1.3 Pakistan Credit Rating Agency (PACRA) has maintained long term entity rating of BBB+ and short term rating of A2 on March 25, 2022, for the Modaraba.

### 2. Basis of preparation

#### 2.1 Statement of compliance

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

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

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, IFASs, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021 and directives issued by the SECP differ from the Companies Act, 2017 and IFRS Standards, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, IFASs, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021 or the

provisions of and directives issued by the SECP under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 have been followed.

## 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- certain financial assets measured at fair value;
- investment property measured at fair value; and
- net defined benefit asset / obligation measured at fair value of plan assets less the present value of defined benefit obligation.

## 2.3 Functional and presentation currency

These financial statements have been presented in Pakistani Rupee (Rs.), which is the functional and presentation currency of the Modaraba. All figures have been rounded off to the nearest rupee, unless otherwise indicated.

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

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

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

- Mujir (lessor) presents assets subject to Ijarah on their balance sheet according to the nature of the asset, distinguished from owned assets.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expense.
- Ijarah income is recognised in income on accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

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

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

Accordingly, the Modaraba had adopted all requirements of IFRS 9 and had determined the provision in respect of financings as per the requirements of the repealed Prudential Regulations in the financial statements for the year ended June 30, 2019. During the year ended June 30, 2020, the SECP extended the applicability of IFRS 9 for period ending on or after June 30, 2021.

However, during the current year, the SECP has further deferred the applicability of complete IFRS-9 for Modarabas upto June 30, 2022. In the circumstances, as the Modaraba had already adopted all requirements of IFRS 9 with the exception of provision for impairment for financings which was determined in accordance with the requirements of the repealed Prudential Regulations (now Modaraba Regulations, 2021) therefore, the Modaraba continues to follow same practice in the current year.

## 2.6 Use of estimates and judgments

The preparation of the financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where judgments made in applying accounting policies and various assumptions and estimates are significant to Modaraba's financial statements or where judgments were exercised in application of accounting policies are:

	<b>Note</b>
- fair value of investment property and investment in equity instruments classified at FVOCI	34

## 3. New standards / amendments to approved accounting standards and interpretations

There are a number of amendments and interpretations that are effective from July 1, 2021. However, these do not have any significant effect on the financial statements.

### 3.1 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 1, 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after January 1, 2022 clarifies that the 'cost of fulfilling a

contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract.

An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after January 1, 2022:
  - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
  - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
  - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This amendment enables the fair value measurement of biological assets on a post-tax basis.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 1, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022.

- Classification of liabilities as current or non-current (Amendments to IAS 1) apply retrospectively for the annual periods beginning on or after January 1, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'.

The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted.



- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets.

The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments are not likely to have an impact on the Modaraba's financial statements.

## 4. Significant accounting policies

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

### 4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at amortised cost less impairment allowance if any. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash in hand, balances with banks in current accounts and in profit and loss sharing accounts, term deposit receipt with maturity up to 90 days, as well as balance held with the State Bank of Pakistan (SBP) and stamp papers.

### 4.2 Ijarah Finance - prior to July 1, 2008

Lease transactions entered into by the Modaraba prior to July 1, 2008 are accounted for as finance leases whereby assets under Ijarah arrangements are presented as receivables at an amount equal to the present value of the minimum Ijarah payments, including estimated residual value, if any. Unearned income i.e. excess of aggregate rentals over the cost of the asset is recorded at the inception of the Ijarah and is amortised over the term of the Ijarah so as to produce a constant rate of return on net investment in Ijarah. Allowances for non-performing leases are made in accordance with the Modaraba Regulations, 2021.

### 4.3 Murabaha transactions

Under Murabaha financing, funds disbursed for the purchase of goods are recorded as 'advance for Murabaha'. On culmination of Murabaha i.e. sale of goods to customers, Murabaha financings are recorded at the deferred sale price net of profit. Goods purchased but remaining unsold at the reporting date are recorded as inventories.

### 4.4 Property and equipment

Operating assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises purchase price, non refundable duties and taxes after deducting trade discounts and rebates, and includes other expenditure that is directly attributable to the acquisition. 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 asset will flow to the Modaraba and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss account during the period in which they are incurred.

Depreciation is charged as an expense applying the straight-line method whereby the cost of an asset is written off over its estimated useful life after taking into account residual value, if any. Depreciation is charged on addition if the asset is available for use within first fifteen days of a

month, otherwise it is made from subsequent month. Depreciation is charged on an asset in the month of disposal if the asset is disposed in the last 15 days of the month otherwise no depreciation is charged.

Depreciation method, useful lives and residual values are reassessed at least at each balance sheet date and changes, if any, are recognised prospectively.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account currently.

#### **4.5 Lease rentals - assets under Ijarah arrangements - after July 1, 2008**

Assets given under Ijarah arrangements after July 1, 2008 are treated as assets given under operating lease arrangements.

#### **4.6 Impairment**

##### **4.6.1 Impairment of financial assets**

The Modaraba recognises loss allowances for ECLs on:

- financial assets measured at amortized cost and contract assets; and
- debt investments measured at FVOCI.

An impairment loss is recognized if the carrying amount of the assets exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

##### **4.6.2 Impairment of non-financial assets**

The Modaraba assesses at each balance sheet date whether there is any indication that non-financial 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 recognised in the 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 or the carrying amount of the asset had there been no impairment. Reversal of impairment loss is recognised as income.

#### **4.7 Trade and other payables**

Liabilities for trade and other amounts payable are recognised and carried at cost which is the fair value of the consideration to be paid in future.

#### **4.8 Provisions**

Provisions are recognised 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



obligation. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

## 4.9 Musharaka finance

Musharaka financing is recognised initially at cost, less attributable transaction costs. Subsequent to initial recognition, this is stated at original cost less principal repayments.

## 4.10 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Modaraba; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

## 4.11 Revenue recognition

### 4.11.1 Dividend income

Dividend income is recognised in profit and loss account on the date on which the Modaraba's right to receive dividend is established.

### 4.11.2 Income on bank balances and term deposit receipts

Income on these assets is recognised on a time proportion basis under the effective yield method.

### 4.11.3 Musharaka finance

Profit on Musharaka finance is recognised on the basis of pro rata accrual of the profit estimated for the transaction over the period except for Diminishing Musharaka finance which is recognised on an accrual basis.

### 4.11.4 Murabaha finance

Profit from Murabaha Finance is accounted for on culmination of Murabaha transaction. However, the profit on that portion of Murabaha Finance not due for payment is deferred by accounting for "Deferred Murabaha Income" with a corresponding credit to "Unearned Murabaha Income" which is recorded as a liability. The same is then recognised on a time proportion basis.

### 4.11.5 Gains and losses on remeasurement and sale of investments

Unrealised gains / (losses) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise.

Gains and losses on sale of investments are accounted for on trade date i.e. the date on which the Modaraba commits to purchase or sell the asset.

### 4.11.6 Ijarah income

The Modaraba classify and account for Ijarah contracts commencing prior to June 30, 2008 as finance leases. Unearned income i.e. the excess of aggregate Ijarah rentals (including residual

value) over the cost of the asset under Ijarah facility is deferred and then amortised over the term of the Ijarah, so as to produce a constant rate of return on net investment in the Ijarah.

For Ijarah arrangements commencing on or after July 1, 2008, Ijarah rentals are recognised as income on an accrual basis, as and when rentals become due on a systematic basis over the lease and Ijarah period.

Documentation charges, front-end fee and other Ijarah income are recognised as income on receipt basis. Unrealised lease income pertaining to non-performing leases is held in suspense account, where necessary, in accordance with the requirements of the Modaraba Regulations, 2021.

#### 4.11.7 Rental income

Leases in which a significant portion of the risk and reward is retained by the Modaraba are classified as operating lease. Rental income from operating leases is recognised on a straight line basis over the lease term.

#### 4.11.8 Unrealised income on non-performing assets

Unrealised income is suspended, where necessary, on non-performing assets (including non-performing net investment in Ijarah and Murabaha and Musharaka Finances), in accordance with the requirements of the Modaraba Regulations, 2021 issued by the SECP. Unrealised suspense income is recognised in profit and loss account on receipt basis.

### 4.12 Financial instruments

#### 4.12.1 Classification and measurement of financial assets and financial liabilities

Under IFRS 9, on initial recognition, the Modaraba classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value either through other comprehensive income ("FVOCI"), or through profit or loss ("FVTPL"); and
- Those to be measured at amortized cost.

The classification depends upon entity's business model for managing the financial assets and the contractual terms of the cash flows.

The following assessments are made on the basis of the facts and circumstances that exist at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation of certain financial assets with respect to subsequent measurement either through profit or loss or other comprehensive income.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within 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 principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- 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 amortized 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 amortized 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 an interest / markup or dividend income, are recognized in statement of profit or loss.

**Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains, losses and impairment are recognized in statement of profit or loss.

**Debt investment at FVOCI**

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in statement of comprehensive income. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.

**Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognized in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of profit or loss.

#### **4.12.2 Financial liabilities - Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Any gain or loss on derecognition is recognized in profit or loss.

#### **4.12.3 Derecognition**

##### **Financial assets**

The Modaraba derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Modaraba neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Modaraba enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

##### **Financial liabilities**

The Modaraba derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Modaraba also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

#### **4.12.4 Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Modaraba currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **4.13 Staff retirement benefits**

##### **4.13.1 Defined benefit plan - staff gratuity**

The Modaraba participates in an approved group funded gratuity scheme for all its permanent employees, who have completed minimum qualifying service period of 3 years. The group comprises of BankIslami Modaraba Investments Limited and Modaraba Al-Mali. Consolidated fund is being maintained for the employees of the group. Contributions to the fund are made on the basis of actuarial recommendation normally carried out on yearly basis. The latest actuarial valuation was carried out as at June 30, 2022 under the 'Projected Unit Credit Method'.

Re-measurements, comprising of actuarial gains and losses, excluding net mark-up and the return on plan assets (excluding net mark-up), are recognised immediately in the balance sheet with a

corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Net mark-up is calculated by applying the discount rate to the net defined benefit liability or asset. The Modaraba recognises service costs comprising current service costs, past-service costs, and net mark-up expense or income in the profit and loss account.

#### **4.13.2 Defined contribution plan - staff provident fund**

The Modaraba contributes to an approved group provident fund scheme covering all its employees who are eligible under the scheme. Equal monthly contributions are made by Modaraba and the employees to the fund at the rate of 8.33% of the basic salary.

#### **4.13.3 Staff compensated absences**

The Modaraba also makes provision in the financial statements for its liability towards compensated absences based on the leaves accumulated up to the balance sheet date in accordance with the service rules.

#### **4.14 Taxation**

##### **4.14.1 Current**

The provision of current tax is based on the taxable income for the year, determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

The Modaraba takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Modaraba's view differ from the views taken by the income tax department at the assessment stage and where the Modaraba considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The income of non-trading Modarabas was exempt from tax provided that not less than 90% of their profits for the year as reduced by amount transferred to a mandatory reserve as required under the provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) were distributed to the certificate holders.

The above exemption has been withdrawn with effect from July 1, 2021.

##### **4.14.2 Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets are reviewed at each reporting date and excluded to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the profit or loss, except in the case of items credited or charged to equity in which case it is included in the statement of changes in equity.

#### 4.15 Segment information

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.

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

#### 4.16 Proposed profit distribution to certificate holders and transfers between reserves

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such dividends are declared / transfers are made.

#### 4.17 Earnings per certificate

The Modaraba presents basic and diluted earnings per certificate data for its certificate holders. Basic earnings per certificate is calculated by dividing the profit or loss attributable to certificate holders of the Modaraba by the weighted average number of certificates outstanding during the year. Diluted earnings per certificate 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.

5. PROPERTY AND EQUIPMENT	Note	2022 Rupees	2021 Rupees
Property and equipment - own use	5.1	<b>2,384,468</b>	67,934,637
Towers and allied equipment	5.2	-	350,000
		<b><u>2,384,468</u></b>	<b><u>68,284,637</u></b>

# Modaraba Al-Mali

5.1

		2022						
	Lease hold land - fuel station	Building - fuel station	Office premises	Vehicles	Furniture and fixtures	Office equipment	Computers	Total
----- Rupees -----								
<b>At July 01, 2021</b>								
Cost	63,848,000	8,399,474	963,178	42,500	2,004,827	3,396,074	2,388,488	81,042,541
Accumulated depreciation	-	(4,436,918)	(963,178)	(34,692)	(1,900,929)	(3,383,699)	(2,388,488)	(13,107,904)
<b>Net book value</b>	<b>63,848,000</b>	<b>3,962,556</b>	<b>-</b>	<b>7,808</b>	<b>103,898</b>	<b>12,375</b>	<b>-</b>	<b>67,934,637</b>
<b>Additions</b>	<b>-</b>	<b>-</b>	<b>2,200,000</b>	<b>-</b>	<b>-</b>	<b>121,000</b>	<b>-</b>	<b>2,321,000</b>
<b>Depreciation charge for the year</b>	<b>-</b>	<b>(139,992)</b>	<b>-</b>	<b>(7,808)</b>	<b>(15,161)</b>	<b>(37,644)</b>	<b>-</b>	<b>(200,605)</b>
<b>Disposals / transfers</b>								
Cost	63,848,000	8,399,474	-	-	45,850	247,143	32,590	72,573,057
Depreciation	-	(4,576,910)	-	-	(45,850)	(247,143)	(32,590)	(4,902,493)
	<b>63,848,000</b>	<b>3,822,564</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,670,564</b>
<b>Closing net book value</b>	<b>-</b>	<b>-</b>	<b>2,200,000</b>	<b>-</b>	<b>88,737</b>	<b>95,731</b>	<b>-</b>	<b>2,384,468</b>
<b>At June 30, 2022</b>								
Cost	-	-	3,163,178	42,500	1,958,977	3,269,931	2,355,898	10,790,484
Accumulated depreciation	-	-	(963,178)	(42,500)	(1,870,240)	(3,174,200)	(2,355,898)	(8,406,016)
<b>Net book value</b>	<b>-</b>	<b>-</b>	<b>2,200,000</b>	<b>-</b>	<b>88,737</b>	<b>95,731</b>	<b>-</b>	<b>2,384,468</b>
<b>Life (Years)</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>5</b>	<b>10</b>	<b>2 to 5</b>	<b>3</b>	
		2021						
	Lease hold land - fuel station	Building - fuel station	Office premises - lease hold	Vehicles	Furniture and fixtures	Office equipment	Computers	Total
----- Rupees -----								
<b>At July 01, 2020</b>								
Cost	63,848,000	8,399,474	963,178	42,500	2,004,827	3,396,074	2,388,488	81,042,541
Accumulated depreciation	-	(4,016,942)	(963,178)	(26,196)	(1,860,850)	(3,342,228)	(2,388,488)	(12,597,882)
<b>Net book value</b>	<b>63,848,000</b>	<b>4,382,532</b>	<b>-</b>	<b>16,304</b>	<b>143,977</b>	<b>53,846</b>	<b>-</b>	<b>68,444,659</b>
<b>Additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation charge for the year</b>	<b>-</b>	<b>(419,976)</b>	<b>-</b>	<b>(8,496)</b>	<b>(40,079)</b>	<b>(41,471)</b>	<b>-</b>	<b>(510,022)</b>
<b>Disposals / transfers</b>								
Cost	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
<b>Closing net book value</b>	<b>63,848,000</b>	<b>3,962,556</b>	<b>-</b>	<b>7,808</b>	<b>103,898</b>	<b>12,375</b>	<b>-</b>	<b>67,934,637</b>
<b>At June 30, 2021</b>								
Cost	63,848,000	8,399,474	963,178	42,500	2,004,827	3,396,074	2,388,488	81,042,541
Accumulated depreciation	-	(4,436,918)	(963,178)	(34,692)	(1,900,929)	(3,383,699)	(2,388,488)	(13,107,904)
<b>Net book value</b>	<b>63,848,000</b>	<b>3,962,556</b>	<b>-</b>	<b>7,808</b>	<b>103,898</b>	<b>12,375</b>	<b>-</b>	<b>67,934,637</b>
<b>Life (Years)</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>5</b>	<b>10</b>	<b>2 to 5</b>	<b>3</b>	

## 5.1.1 Disposal of operating assets

The following operating fixed assets with a net book value exceeding Rs. 5 million were disposed off during the year:

Particulars of assets	Cost	Net book value	Sale proceeds	Gain on disposal	Mode of disposal	Purchaser	Relationship with the Modaraba
	Rupees						
Fuel station	72,247,474	67,670,564	120,000,000	52,329,436	Negotiation	Umar Hayat	None

## 5.1.2 Depreciation charge for the year has been allocated to:

	Note	2022 Rupees	2021 Rupees
Administrative and operating expenses	24	55,774	80,010
Discontinued operations	27.2	144,831	430,012
		<u>200,605</u>	<u>510,022</u>

## 5.2 Towers and allied equipment

### At July 01, 2021

	2022		2021	
	Towers with allied equipment	Other allied equipment	Total	
	Rupees			
Cost	2,216,553	2,127,811	4,344,364	
Accumulated depreciation	(762,539)	(2,127,811)	(2,890,350)	
Provision for impairment losses	(1,104,014)	-	(1,104,014)	
<b>Net book value</b>	<b>350,000</b>	<b>-</b>	<b>350,000</b>	

### Additions

### Depreciation charge for the year

### Provision for impairment losses

### Disposals

Cost	-	-	-
Depreciation	-	-	-
	-	-	-
<b>Closing net book value</b>	<b>-</b>	<b>-</b>	<b>-</b>

### At June 30, 2022

Cost	2,216,553	2,127,811	4,344,364
Accumulated depreciation	(762,539)	(2,127,811)	(2,890,350)
Provision for impairment losses	(1,454,014)	-	(1,454,014)
<b>Net book value</b>	<b>-</b>	<b>-</b>	<b>-</b>
Life (Years)	<b>20</b>	<b>5</b>	



	2021		
	Towers with allied equipment	Other allied equipment	Total
	----- Rupees -----		
At July 01, 2020			
Cost	2,216,553	2,127,811	4,344,364
Accumulated depreciation	(762,539)	(2,127,811)	(2,890,350)
Provision for impairment losses	(1,104,014)	-	(1,104,014)
Net book value	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Additions	-	-	-
Depreciation charge for the year	-	-	-
Disposals			
Cost	-	-	-
Depreciation	-	-	-
	-	-	-
Closing net book value	<u>350,000</u>	<u>-</u>	<u>350,000</u>
At June 30, 2021			
Cost	2,216,553	2,127,811	4,344,364
Accumulated depreciation	(762,539)	(2,127,811)	(2,890,350)
Provision for impairment losses	(1,104,014)	-	(1,104,014)
Net book value	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Life (Years)	<u>20</u>	<u>5</u>	

5.2.1 Towers and allied equipment is held as an idle asset and carried at impaired value of Nil.

5.2.2 Provision for impairment losses has been allocated to administrative and operating expenses.

6. INVESTMENT PROPERTY	Note	2022	2021
		Rupees	Rupees
Balance at July 01	6.1	96,616,000	72,090,400
Changes in fair value		-	24,525,600
Reclassification to asset held for sale	14	(96,616,000)	-
Balance at June 30		<u>-</u>	<u>96,616,000</u>
6.1 Investment property represented interest in leasehold office premises rented out to a third party located at 10th Floor, Progressive Square Plaza, Shahrah e Faisal, Karachi.			
7. LONG TERM INVESTMENTS	Note	2022	2021
		Rupees	Rupees
Investment in debt securities - at amortised cost	7.1	281,832,631	-
Investment in equity instruments - at FVOCI - unquoted	7.2	640,467,125	-
		<u>922,299,756</u>	<u>-</u>

## 7.1 Investment in debt securities - at amortised cost

The Modaraba has made investment in 28,000,000 non-voting cumulative preference shares of PGP Consortium Limited carrying dividend at the rate of 6 Month Kibor + 5.5%. The net asset value of the investment per share is Rs. 10/-, which has been calculated with reference to the net assets of the PGP Consortium Limited on the basis of audited financial statements for the year ended June 30, 2021 audited by A.F. Ferguson & Company Chartered Accountants.

	2022 Rupees	2021 Rupees
PGP Consortium Limited	280,000,000	-
Unamortised transaction cost	<u>1,832,631</u>	-
	<u><b>281,832,631</b></u>	<u>-</u>

	Rating	Face value / share	Effective rate
PGP Consortium Limited - preference shares	<u>BBB</u>	<u>10</u>	<u>9.15% - 13.14%</u>

## 7.2 Investment in equity instruments - at FVOCI - unquoted

This represents the investment made with the intention of establishing or maintaining a long-term ownership relationship in LSE Financial Services Limited, an unquoted Company by the Modaraba. The net asset value of the investment per share is Rs. 19.44/-, which has been calculated with reference to the net assets of the LSE Financial Services Limited on the basis of audited financial statements for the year ended June 30, 2022 audited by Crowe Hussain Chaudhury & Company Chartered Accountants.

	Note	2022 Rupees	2021 Rupees
LSE Financial Services Limited - unquoted	7.2.1	388,172,285	-
Fair value reserve		<u>252,294,840</u>	-
		<u><b>640,467,125</b></u>	<u>-</u>

7.2.1 The Modaraba holds 33,322,492 fully paid ordinary shares of Rs. 10 each which represents 18.55% of the total paid-up capital of the investee. During the year, the Modaraba earned dividend income on these shares amounting to Rs. 28.98 million.

8. DIMINISHING MUSHARAKA	Note	2022 Rupees	2021 Rupees
Musharaka finance		572,498	4,190,176
Less: Current portion of diminishing musharaka		<u>(455,176)</u>	<u>(3,855,624)</u>
Long term portion of diminishing musharaka		<u><b>117,322</b></u>	<u><b>334,552</b></u>

## 9. TAX REFUNDS DUE FROM GOVERNMENT

These represent amounts either withheld by various withholding agents on account of payments received by the Modaraba or advance tax paid by the Modaraba as required under the Income Tax Ordinance, 2001 at the time of making certain payments. In respect of tax years 2014, 2015 and 2019, the FBR had passed orders of refund for amounts less than that claimed by Modaraba in its refund applications. The Modaraba had filed a rectification application against the said orders and the management is confident that the appeal will be decided in favour of the Modaraba.

10. IJARAH FINANCE	Note	2022 Rupees	2021 Rupees
<b>Ijarah contracts commencing up to June 30, 2008 - accounted for as finance leases</b>			
Minimum lease payments due		40,480,939	40,480,939
Residual value of leased assets		3,755,007	3,755,007
Total receivable		<u>44,235,946</u>	<u>44,235,946</u>
Suspended lease income		(7,491,364)	(7,491,364)
Provision for impairment against potential Ijarah losses	10.1 & 30	(32,989,575)	(32,989,575)
		<u>(40,480,939)</u>	<u>(40,480,939)</u>
		<u>3,755,007</u>	<u>3,755,007</u>
<b>10.1</b> These Ijarah finances are fully provided and the remaining amount represents amount of security deposit to be adjusted at the time of settlement with the defaulted parties. Since the finance is non-performing, no income is accrued on it in accordance with the Modaraba Regulations, 2021.			
11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2022 Rupees	2021 Rupees
<b>Considered good</b>			
<b>Advances</b>			
- against purchase of shares	11.1	131,935,312	-
- against IPO investment		-	21,236,000
- to suppliers		-	863,360
- to employees against salary		50,000	6,000
- to broker		60,976	7,160,037
		<u>132,046,288</u>	<u>29,265,397</u>
Receivable from corporate entities	11.2	104,355,468	-
Dividend income receivable	11.3	10,724,261	-
Defined benefit plan - staff gratuity	11.4	1,141,614	1,333,640
Prepayments		635,235	495,255
Others		841,745	1,096,690
		<u>117,698,323</u>	<u>2,925,585</u>
		<u>249,744,611</u>	<u>32,190,982</u>
<b>Considered doubtful</b>			
<b>Other receivables</b>			
- Terminated leases		-	6,242,260
- Others		-	1,811,403
		-	8,053,663
Provision for impairment loss against doubtful recoveries	30	-	(8,053,663)
		<u>249,744,611</u>	<u>32,190,982</u>

**11.1** This represents advance paid for purchase of shares of LSE Financial Services Limited and MetaTech Health Limited amounting to Rs. 106.94 million and Rs. 25.00 million respectively. The transfer of these shares is subject to approval from Securities and Exchange Commission of Pakistan.

11.2 During the year Modaraba changed its focus from conventional Islamic financing modaraba to undertaking Islamic venture capital, private equity and corporate & financial restructuring / rehabilitation transactions of potentially viable companies through resource mobilization. The balance represents expenses incurred on behalf of shell listed companies which includes receivable from MetaTech Health Limited and Oil Boy Energy Limited amounting to Rs. 73.38 million and Rs. 30.80 million respectively.

11.3 This represents dividend income on PGP preference shares receivable semi annually.

11.4 Defined benefit asset - staff gratuity	Note	2022 Rupees	2021 Rupees
<b>11.4.1 Present value of defined benefit obligation and assets of the fund</b>			
Present value of defined benefit obligation		66,444	1,456,817
Fair value of plan assets		<u>(1,208,058)</u>	<u>(2,790,457)</u>
Net defined benefit asset recognised in the balance sheet		<u><u>(1,141,614)</u></u>	<u><u>(1,333,640)</u></u>

**11.4.2 Movement in net defined benefit asset during the year**

Opening net defined benefit asset		(1,333,640)	(1,284,354)
Income recognised in profit and loss account	11.4.3	(10,582)	(10,834)
Contributions made during the year		(231,411)	(45,380)
Remeasurement loss recognised in other comprehensive income	11.4.6	434,019	6,928
Closing net defined benefit asset		<u><u>(1,141,614)</u></u>	<u><u>(1,333,640)</u></u>

**11.4.3 Amount charged to the profit and loss account**

Following amounts have been charged to the profit and loss account during the current year in respect of this scheme:

	Note	2022 Rupees	2021 Rupees
Current service cost	11.4.4	116,576	102,828
Return expense	11.4.4	150,574	167,630
Return on plan assets	11.4.5	<u>(277,732)</u>	<u>(281,292)</u>
		<u><u>(10,582)</u></u>	<u><u>(10,834)</u></u>
Actuarial return on plan assets	11.4.6	<u><u>46,202</u></u>	<u><u>77,932</u></u>

**11.4.4 Movement in present value of defined benefit obligation**

Present value of defined benefit obligation at beginning of the year		1,456,817	1,774,139
Current service cost		116,576	102,828
Return expense		150,574	167,630
Benefits paid		(1,860,012)	(391,348)
Remeasurement gain for the year		<u>202,489</u>	<u>(196,432)</u>
Present value of defined benefit obligation at end of the year		<u><u>66,444</u></u>	<u><u>1,456,817</u></u>

	<b>2022</b>	2021
	<b>Rupees</b>	Rupees
<b>11.4.5 Movement in the fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	<b>2,790,457</b>	3,058,493
Return on plan assets	<b>277,732</b>	281,292
Contributions	<b>231,411</b>	45,380
Benefit paid	<b>(1,860,012)</b>	(391,348)
Remeasurement loss for the year	<b>(231,530)</b>	(203,360)
Fair value of plan assets at end of the year	<b><u>1,208,058</u></b>	<u>2,790,457</u>

#### 11.4.6 Re-measurements recognised in other comprehensive income

Re-measurement: Actuarial loss / (gain) on obligation	<b>960</b>	4,974
Due to change in financial assumptions	<b>201,529</b>	(201,406)
Due to change in experience	<b>202,489</b>	(196,432)
Remeasurement: Actuarial (gain) / loss on plan assets		
Actuarial return on plan assets	<b>(46,202)</b>	(77,932)
Return on plan assets	<b>277,732</b>	281,292
	<b>231,530</b>	203,360
Re-measurement loss recognised in other comprehensive income	<b><u>434,019</u></b>	<u>6,928</u>

#### 11.4.7 Composition of plan assets

Debt instruments	445,212	589,668
Bank deposits	762,846	2,200,789
	<b><u>1,208,058</u></b>	<u>2,790,457</u>

#### 11.4.8 Actuarial assumptions

The principal assumptions used in the actuarial valuation carried out as of June 30, 2022, using the 'Projected Unit Credit' method, are as follows:

	<u>2022</u>	<u>2021</u>
Expected rate of increase in salary	<b>13.25% per annum</b>	10% per annum
Discount rate used to determine the actuarial present value obligation	<b>13.25% per annum</b>	10% per annum
Expected rate of return on plan assets	<b>13.25% per annum</b>	10% per annum
Expected mortality rate	<b>SLIC (2001-05) with 1 year set back</b>	SLIC (2001-05) with 1 year set back
Expected withdrawal rate	<b>Light</b>	Age dependent

Expected income in respect of gratuity scheme in the next financial year on the advice of actuary is Rs. 27,868.

## 11.4.9 Actuarial Risk

The scheme exposes the Modaraba to the following actuarial risks:

### Salary risk

This includes the risk that final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

### Mortality / withdrawal risk

This includes the risk that the actual mortality / withdrawal experience is different than assumed. The effect depends upon the beneficiaries' service / age distribution and the benefit.

### Investment risk

This includes the risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is managed by formulating an investment policy and guidelines based on which investments are made after obtaining approval of the trustees of the fund.

In case of the funded plans, the investment positions are managed within an Asset-Liability Matching (ALM) framework to ensure that long-term investments are in line with the obligation under the defined benefit plan. The Modaraba actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the defined benefit plan obligations. The Modaraba has not changed the process used to manage its risks from previous years. Investments are well diversified. A large portion of the plan assets in the year 2022 consists of bank deposit.

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yield on fixed profit investments is based on gross redemption yield as at the balance sheet date.

## 11.4.10 Sensitivity analysis

The calculation of defined benefit asset is sensitive to assumptions set out above. The following table summarises how the defined benefit asset at the reporting period would have increased / (decreased) as a result of change in respective assumptions by one percent.

	<b>Defined benefit obligation</b>	
	<b>Effect of 1%</b>	
	<b>Increase</b>	<b>Decrease</b>
	<b>Rupees</b>	<b>Rupees</b>
Discount rate	<b>60,009</b>	74,167
Expected rate of increase in salaries	<b>74,419</b>	59,692

The sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the liability for gratuity recognised within the balance sheet.

The weighted average number of years of defined benefit asset as at June 30, 2022 is 10.52 years (2021: 8.31 years).

The undiscounted projected benefit payments from gratuity fund are as follows:

	<b>Rupees</b>
For the year 2023	<b>907</b>
For the year 2024	<b>3,361</b>
For the year 2025	<b>6,290</b>
For the year 2026	<b>8,873</b>
For the year 2027	<b>12,386</b>
For the year 2028-32	<b>1,976,204</b>

**11.4.11 Historical information (in respect of the gratuity scheme)**

	2022	2021	2020	2019	2018
	Rupees				
Defined benefit obligation	66,444	1,456,817	1,774,139	1,558,945	2,897,732
Fair value of plan assets	(1,208,058)	(2,790,457)	(3,058,493)	(2,951,720)	(4,429,036)
Unrecognised actuarial loss	-	-	-	-	-
Surplus	(1,141,614)	(1,333,640)	(1,284,354)	(1,392,775)	(1,531,304)
Remeasurements of plan liabilities	202,489	(196,432)	(114,097)	100,635	120,554
Remeasurements of plan assets	(231,530)	(203,360)	(313,299)	(363,289)	(213,512)
Remeasurement loss of prior period	-	-	-	-	-

		2022	2021
	Note	Rupees	Rupees
<b>12. INVESTMENTS</b>			
<b>At fair value through profit and loss</b>			
Investments in listed equity securities	12.1	<b>13,124,176</b>	1,364,300

## 12.1 Investment in listed equity securities

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

	June 30, 2022				June 30, 2021			
	Number of shares	Cost	Fair value	Unrealized loss	Number of shares	Cost	Fair value	Unrealized gain
	----- Rupees -----				----- Rupees -----			
<b>Gem board transport</b>								
Universal Network Transport System	267,895	17,413,175	13,124,176	(4,288,999)	-	-	-	-
<b>Food &amp; personal care products</b>								
Unity Foods Limited	-	-	-	-	10,000	433,823	445,200	11,377
<b>Power generation &amp; distribution</b>								
Saif Power Limited	-	-	-	-	15,000	259,454	260,100	646
<b>Transport</b>								
Pakistan International Bulk Terminal Limited	-	-	-	-	10,000	112,904	113,800	896
<b>Cable &amp; electrical goods</b>								
Waves Singer Pakistan Limited	-	-	-	-	20,000	533,783	545,200	11,417
<b>Total as at June 30</b>		<u>17,413,175</u>	<u>13,124,176</u>	<u>(4,288,999)</u>		<u>1,339,964</u>	<u>1,364,300</u>	<u>24,336</u>

12.2 Fair value of listed equity securities represents market value prevailing on June 30.

	Note	2022 Rupees	2021 Rupees
<b>13. CASH AND BANK BALANCES</b>			
Balances with banks in:			
- profit and loss sharing accounts	13.1	<b>15,702,098</b>	34,893,707
- term deposit certificates		-	15,000,000
- current accounts		<b>4,070,991</b>	2,850,111
		<b>19,773,089</b>	52,743,818
Balances with State Bank of Pakistan		<b>4,912</b>	14,191
		<b>19,778,001</b>	52,758,009
Cash in hand		-	592,973
Stamp paper		-	-
		<b>19,778,001</b>	<b>53,350,982</b>

13.1 These carry profit rates ranging from 1.95% to 8.68% (2021: 1.95% to 5.52%) per annum.

## 14. ASSETS HELD FOR SALE

### Assets and liabilities of disposal group held for sale

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

Disposal groups, are generally measured at the lower of their carrying amount and fair values less cost to sell except for investment property, which is measured at fair value. Any impairment loss on a disposal group is allocated first to goodwill and then to the remaining assets and liabilities



on a pro rata basis, except that no loss is allocated to inventories, financial assets, employee benefits assets or investment property, which continue to be measured in accordance with the Modaraba's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gain and losses on remeasurement are recognised in profit or loss.

In October 2021, management committed to a plan to dispose off leasehold offices / premises (assets) in Karachi. Accordingly, that asset is presented as held for sale in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations. Modaraba has entered into multiple sale agreements to sell the property and a sale is expected within one year.

At June 30, 2022 the disposal group was stated at fair value and comprised of the following assets and liabilities:

	Note	2022 Rupees
Investment property	14.1	96,616,000
<b>Asset held for sale</b>		<b><u>96,616,000</u></b>
Proceed against disposal of investment property		74,601,589
Deferred tax liabilities	16	27,671,181
<b>Liabilities directly associated with asset held for sale</b>		<b><u>102,272,770</u></b>

## 14.1 Investment property

Investment property, which is property held to earn rentals and / or for capital appreciation, including property under construction for such purposes, is measured initially at its cost.

Subsequent to initial recognition, investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis is measured at fair value, at each reporting date. The changes in fair value are recognised in the profit and loss account. Any other investment property (whose fair value cannot be measured reliably without undue cost or effort) is measured at cost less accumulated depreciation and any impairment loss.

The fair value of investment property after initial recognition / transfer is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition.

The leasehold office premises were valued by an independent and qualified valuer Harvester Services (Private) Limited, as at June 30, 2021 on the basis of professional assessment of the market values. Forced sale value of the investment property was assessed at Rs. 82.12 million.

	Note	2022 Rupees	2021 Rupees
<b>15. SECURITY DEPOSITS</b>			
Security deposits	15.1	<b>3,797,138</b>	3,877,138
Less: Current portion of security deposits		<b><u>(3,797,138)</u></b>	<u>(3,762,138)</u>
Long term portion of security deposits		<b><u>-</u></b>	<u>115,000</u>

15.1 These represent amounts received under Ijarah Finance as security deposits, repayable / adjustable on the expiry of the Ijarah period.

16. DEFERRED TAX LIABILITIES	2022 Rupees	2021 Rupees
<b>Taxable temporary differences</b>		
Asset held for sale - investment property	95,417,866	-
Defined benefit plan - staff gratuity	953,919	-
Long-term investments	1,832,631	-
	<b>98,204,416</b>	-
<b>Deductible temporary differences</b>		
Investments	(4,288,999)	-
Property and equipment	(207,436)	-
	<b>(4,496,435)</b>	-
	<b>93,707,981</b>	-

16.1 The details of the tax effect of taxable and deductible temporary differences are as follows:

	2022			
	Opening balance	Charged to profit or loss	Charged to other comprehensive income	Closing balance
<b>Deferred Tax Liabilities</b>				
			<b>Rupees</b>	
Asset held for sale - investment property	-	27,671,181	-	27,671,181
Defined benefit plan - staff gratuity	-	402,503	(125,866)	276,637
Long-term investments	-	531,463	-	531,463
<b>Deferred Tax Assets</b>				
Investments	-	(643,350)	-	(643,350)
Property and equipment	-	(60,156)	-	(60,156)
	<b>-</b>	<b>27,901,641</b>	<b>(125,866)</b>	<b>27,775,775</b>

17. CREDITORS, ACCRUED AND OTHER LIABILITIES	Note	2022 Rupees	2021 Rupees
Management fee payable	17.1	9,529,655	-
Accrued liabilities		5,090,552	5,067,882
Payable to provincial government		1,247,338	12,575
Profit payable on musharaka certificate		435,419	-
Payable to gratuity fund		231,411	-
Payable to management company		432,384	-
Ijarah rental received in advance		123,246	123,246
Charity and donation		67,022	65,456
Others		5,569,578	954,587
		<b>22,726,605</b>	<b>6,223,746</b>

17.1 The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 up to a maximum of 10% per annum of the net annual profits of the Modaraba.

## 18. AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

	2022 Number of certificates	2021 Rupees	2022 Rupees	2021 Rupees
Modaraba Certificates of Rs. 10 each	<u>80,000,000</u>	<u>30,000,000</u>	<u>800,000,000</u>	<u>300,000,000</u>
<b>Issued, subscribed and paid-up certificate capital</b>				
Modaraba Certificates of Rs. 10 each fully paid in cash	13,569,000	13,569,000	135,690,000	135,690,000
Modaraba Certificates of Rs. 10 each issued as fully paid bonus certificates	4,688,400	4,688,400	46,884,000	46,884,000
Modaraba Certificates of Rs. 10 each issued on merger	166,545	166,545	1,665,450	1,665,450
Modaraba Certificates of Rs. 10 each as fully paid right issue	61,000,000	-	610,000,000	-
	<u>79,423,945</u>	<u>18,423,945</u>	<u>794,239,450</u>	<u>184,239,450</u>

18.1 Assetplex Limited (Modaraba Management Company) holds 14,746,591 certificates (2021: 2,342,490 certificates) of Rs. 10 each, as at June 30, 2022.

## 19. CAPITAL RESERVES

Capital reserves include statutory reserve which represents profits set aside to comply with the Modaraba Regulations, 2021 issued by the SECP. 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 to the amount of the paid-up capital. Thereafter, a sum not less than 5% and not more than 20% of the after tax profit is to be transferred.

During the current year, the Modaraba has transferred an amount of Rs.7,678,312 (2021: Rs. 6,757,167) which represents 20% (2021: 20%) of the profit after tax.

## 20. CONTINGENCIES AND COMMITMENTS

### 20.1 Contingencies

There were no contingencies as at June 30, 2022 (2021: Nil).

### 20.2 Commitments

There were no commitments outstanding as at June 30, 2022 (2021:Nil).

21. DIVIDEND INCOME		2022 Rupees	2021 Rupees
On investment in LSE Financial Services Limited shares		28,982,291	-
On PGP Consortium Limited preference shares		10,256,892	-
On other listed securities		1,500,000	-
		<u>40,739,183</u>	<u>-</u>
<b>22. INCOME FROM DEPOSITS WITH ISLAMIC BANKS</b>			
Income on profit and loss sharing accounts		3,107,264	645,129
Income from term deposits with Islamic banks		-	3,720,294
		<u>3,107,264</u>	<u>4,365,423</u>
<b>23. REALISED / UNREALISED APPRECIATION / (DIMINUTION) ON INVESTMENTS CLASSIFIED AS FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS-NET</b>			
		2022	2021
	Note	Rupees	Rupees
Realised gain on securities		21,558,139	-
Unrealised (loss) / gain on securities		(4,288,999)	24,336
		<u>17,269,140</u>	<u>24,336</u>
<b>24. ADMINISTRATIVE AND OPERATING EXPENSES</b>			
Salaries, allowances and other benefits	24.1	3,486,476	1,483,253
Rent, rates and taxes		1,817,023	78,660
Depreciation		55,774	80,010
Fuel and conveyance		207,835	136,797
Repairs and maintenance		906,984	279,668
Legal and professional		11,453,324	1,932,613
Electricity		146,505	166,710
Telephone		159,798	161,514
Travelling		235,000	-
Entertainment		117,398	36,563
Takaful expense		130,549	94,824
Printing and stationery		511,900	457,988
Auditor's remuneration	24.2	2,881,681	904,427
Subscription		533,580	452,530
Registrar services		488,265	296,302
Postage		135,605	110,414
Advertisement		263,331	136,200
Others		595,132	129,584
		<u>24,126,160</u>	<u>6,938,057</u>

**24.1** The aggregate amount charged in the financial statements for remuneration, including all benefits to the executive staff and other employees of the Modaraba are as follows:

	2022		
	Officers (key management personnel)	Other employees	Total
	----- Rupees -----		
Salaries	909,102	1,022,494	1,931,596
Retirement benefits	10,584	-	10,584
Defined contribution plan - provident fund	90,910	96,752	187,662
House rent allowance	409,096	464,884	873,980
Conveyance and other allowances	<u>212,539</u>	<u>270,115</u>	<u>482,654</u>
	<u>1,632,231</u>	<u>1,854,245</u>	<u>3,486,476</u>
Number of employees at the end of year	<u>1</u>	<u>4</u>	<u>5</u>

	2021		
	Officers (key management personnel)	Other employees	Total
	----- Rupees -----		
Salaries	-	913,607	913,607
Retirement benefits	-	-	-
Defined contribution plan - provident fund	-	48,309	48,309
House rent allowance	-	411,123	411,123
Conveyance and other allowances	-	110,214	110,214
	-	<u>1,483,253</u>	<u>1,483,253</u>
Number of employees at the end of year	-	<u>4</u>	<u>4</u>

24.2 Auditor's remuneration	2022	2021
	Rupees	Rupees
Statutory audit	2,100,000	374,220
Review report on statement of compliance with the Code of Corporate Governance	50,000	23,760
Review of the half yearly financial information	115,000	100,980
Other certifications	350,000	235,440
Out of pocket expenses	<u>266,681</u>	<u>170,027</u>
	<u>2,881,681</u>	<u>904,427</u>

## 25. PROVISION FOR WORKERS' WELFARE FUND

This represents charge in respect of workers' welfare Fund recognised in line with the requirements of Punjab Workers' Welfare Fund Act, 2019.

26. TAXATION	Note	2022 Rupees	2021 Rupees
<b>Continuing operations</b>			
<b>Current tax</b>			
- for the year	26.2	12,792,315	-
<b>Deferred tax</b>			
- for the year		<u>230,459</u>	<u>-</u>
		<u><u>13,022,774</u></u>	<u><u>-</u></u>
<b>Discontinued operations</b>			
<b>Current tax</b>			
- for the year	26.2	3,384,974	800,468
- prior year		<u>182,049</u>	<u>-</u>
		3,567,023	800,468
<b>Deferred tax</b>			
- for the year		<u>27,671,181</u>	<u>-</u>
		<u><u>31,238,204</u></u>	<u><u>800,468</u></u>
		<b>2022</b>	<b>2021</b>
		-----Percentage-----	
<b>26.1 Reconciliation of effective tax rate</b>			
<b>Continuing operations</b>			
Applicable tax rate		29.00	29.00
Effect of			
- Non-deductible expense		2.25	-
- Final tax regime and income subject to lower tax rate		20.86	-
- Recognition of previously unrecognized temporary taxable differences		1.68	-
- Tax exempt income		-	(29.00)
- Others		<u>0.01</u>	<u>-</u>
		<u><u>53.80</u></u>	<u><u>-</u></u>
<b>Discontinued operations</b>			
Applicable tax rate		29.00	29.00
Effect of			
- Final tax regime and income subject to lower tax rate		2.76	(26.83)
- Recognition of previously unrecognized temporary taxable differences		47.31	-
- Tax-exempt income		(25.97)	-
- Changes in estimates related to prior years		0.31	-
- Others		<u>0.03</u>	<u>-</u>
		<u><u>53.44</u></u>	<u><u>2.17</u></u>

- 26.2** As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba was exempt from income tax provided that it distributes 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. Through the Tax Laws (Second) Amendment Ordinance, 2001, the government omitted clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. As a result of omission of this clause, the tax exemption previously available to the Modaraba upon distribution of ninety percent of the profit for the year as reduced by the amount transferred to the statutory reserve is no longer available.
- 26.3** The income tax returns of the Modaraba have been filed up to the financial year ended June 30, 2021 which are deemed assessed under the Income Tax Ordinance 2001, unless selected for audit by taxation authorities.

## **27. ANALYSIS OF PROFIT / (LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS**

The combined results of the discontinued operations (i.e. Fuel station & investment property) included in the profit / loss for the year are set out below. The comparative profit / loss and cash flows have been re-presented to include those operations classified as discontinued in the current year.

Discontinued operations are a component of the Modaraba's business, the operations and cash flows of which can be clearly distinguished from the rest of the entity and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

### **27.1 Inventory**

Stores and consumables are valued at the moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon.

Fuel and lubricants are valued at the lower of moving average cost and net realisable value. Cost comprises of invoice value and other charges e.g. freight, franchise fee, excise duty and GST etc.

27.2 Results of discontinued operations	Note	2022 Rupees	2021 Rupees
<b>Income</b>			
Sale of fuel	27.3	288,957,752	240,255,797
Cost of sales		(280,993,866)	(231,771,670)
Rental income fuel station	27.4	<u>1,621,000</u>	<u>1,726,400</u>
		<b>9,584,886</b>	<b>10,210,527</b>
Rental income from investment property	27.5	<b>8,454,216</b>	7,749,699
Fair value adjustment on investment property		<u>-</u>	<u>24,525,600</u>
		<b>18,039,102</b>	<b>42,485,826</b>
<b>Expenses</b>			
Salaries and allowances		<b>2,947,662</b>	2,776,094
Generator fuel		<b>203,799</b>	154,502
Depreciation		<b>144,831</b>	430,012
Electricity		<b>362,224</b>	315,895
Repairs and maintenance		<b>5,195,711</b>	718,177
Printing and stationery		<b>43,572</b>	20,078
Security guards		<b>541,700</b>	648,900
Takaful expense		<b>91,693</b>	145,009
Telephone		<b>23,387</b>	26,230
Entertainment		<b>60,788</b>	30,880
Rent, rates & taxes		<b>230,594</b>	250,102
Miscellaneous		<b>2,077,644</b>	155,331
		<u>(11,923,605)</u>	<u>(5,671,210)</u>
Results from operating activities		<b>6,115,497</b>	36,814,616
Taxation		<u>(31,238,204)</u>	<u>(800,468)</u>
Results from operating activities - net of tax		<b>(25,122,707)</b>	36,014,148
Gain on sale of a part of discontinued operation		<b>52,329,436</b>	-
<b>Profit from discontinued operations - net of tax</b>		<u><b>27,206,729</b></u>	<u><b>36,014,148</b></u>
<b>Earnings per certificate - basic &amp; diluted</b>		<u><b>0.51</b></u>	<u><b>2.05</b></u>
27.3 Income relates to the operations of petrol and diesel filling / service station which started from October 3, 2010 under a retailer agreement with an oil marketing company. In accordance with the agreement, the Company had granted the right to the Modaraba to operate the fuel station and deal exclusively in petroleum products of the Company on a predetermined margin. Income from sale of oil and lubricants is recognised when the product is delivered i.e. at point in time.			
27.4 The amount represents rent earned in respect of the area of fuel station rented for tuck shop and car wash facility. Initial term of the rent agreement was for fifteen years.			
27.5 This represents rental income earned from letting out vacant office premises (classified as investment property).			
27.6 <b>Cashflows from discontinued operations</b>			
		<b>2022 Rupees</b>	<b>2021 Rupees</b>
Net cash (used in) / generated from operating activities		<b>17,244,323</b>	10,344,180
Net cash generated from investing activities		<b>194,601,589</b>	-



		2022 Rupees	
<b>27.7 Effect of disposal on the financial position of the Modaraba</b>			
Property and equipment		(67,670,564)	
Inventory		(275,215)	
Advances and other receivables		(6,744,861)	
<b>Net assets</b>		<u><u>(74,690,640)</u></u>	
<b>Consideration received, satisfied in cash</b>		<u><u>127,020,076</u></u>	
	<b>Note</b>	<b>2022 Rupees</b>	<b>2021 Rupees <i>Restated</i></b>
<b>28. EARNINGS PER CERTIFICATE - BASIC AND DILUTED</b>			
Basic earnings per certificate is worked out as under:			
<b>Continuing operations</b>			
Basic earnings per certificate is worked out as under:			
Profit / (loss) for the year after taxation (Rs.)		<u><u>11,184,831</u></u>	<u><u>(2,228,311)</u></u>
Weighted average number of ordinary certificates outstanding during the year	28.1	<u><u>53,648,532</u></u>	<u><u>17,562,953</u></u>
Earnings per certificate - basic & diluted (Rs.)	28.2	<u><u>0.21</u></u>	<u><u>(0.13)</u></u>
<b>Discontinued operations</b>			
Profit for the year after taxation (Rs.)		27,206,729	36,014,148
Weighted average number of ordinary certificates outstanding during the year	28.1	<u><u>53,648,532</u></u>	<u><u>17,562,953</u></u>
Earnings per certificate - basic & diluted (Rs.)	28.2	<u><u>0.51</u></u>	<u><u>2.05</u></u>
<b>28.1 Weighted-average number of ordinary shares (basic &amp; diluted)</b>			
Issued ordinary shares at July 1		18,423,945	18,423,945
Effect of right issue		<u><u>35,224,587</u></u>	<u><u>(860,992)</u></u>
Weighted average number of ordinary shares at June 30		<u><u>53,648,532</u></u>	<u><u>17,562,953</u></u>
<b>28.2</b>	The figure for diluted earnings per certificate is the same as basic earnings per certificate as the Modaraba has not issued any instrument which would have an impact on basic earnings per certificate when exercised.		

29. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2022					Total
	Equity			Liabilities		
	Accumulated loss	Paid-up certificate	Premium on issue of	Unclaimed dividend	Musharaka finance	
As at July 1, 2021	(55,283,857)	184,239,450	511,409	9,649,240	-	139,116,242
<b>Changes from financing cash flows</b>						
Profit distributed to certificate holders	-	-	-	(6,107,461)	-	(6,107,461)
Receipt against musharaka finance	-	-	-	-	60,000,000	60,000,000
Receipt of right issue subscription	-	610,000,000	-	-	-	610,000,000
Expenses incurred on issuance of right certificates	(35,136,739)	-	(511,409)	-	-	(35,648,148)
<b>Total changes from financing cash flows</b>	(35,136,739)	610,000,000	(511,409)	(6,107,461)	60,000,000	628,244,391
<b>Other changes</b>						
Dividend declared	(6,816,860)	-	-	6,816,860	-	-
Total accumulated losses related other changes	30,405,095	-	-	-	-	30,405,095
<b>Closing as at June 30, 2022</b>	(66,832,361)	794,239,450	-	10,358,639	60,000,000	797,765,728

	2021	
	Unclaimed dividend	Total
As at July 1, 2020	8,406,113	8,406,113
<b>Changes from financing cash flows</b>		
Profit distributed to certificate holders	(11,653,635)	(11,653,635)
Total changes from financing cash flows	(11,653,635)	(11,653,635)
<b>Other changes</b>		
Dividend declared	12,896,762	12,896,762
Total accumulated losses related other changes	-	-
Closing as at June 30, 2021	9,649,240	9,649,240

30. PROVISION FOR IMPAIRMENT LOSS

	2022			
	Property and equipment	Ijarah finance	Other receivables	Total
-----Rupees-----				
Opening balance	1,104,014	32,989,575	8,053,663	42,147,252
Provision during the year	350,000	-	-	350,000
Written off	-	-	(8,053,663)	(8,053,663)
<b>Closing balance</b>	1,454,014	32,989,575	-	34,443,589
-----Rupees-----				
-----Rupees-----				
	2021			
	Property and equipment	Ijarah finance	Other receivables	Total
-----Rupees-----				
Opening balance	1,104,014	32,989,575	8,053,663	42,147,252
Reversal during the year	-	-	-	-
<b>Closing balance</b>	1,104,014	32,989,575	8,053,663	42,147,252

## 31. RELATED PARTY TRANSACTIONS

The related parties comprise of AssetPlex Limited being the Modaraba Management Company, major certificate holders and their family members, directors of the Modaraba Management Company and their close family members, key management personnel of the Modaraba and the Management Company and their close family members, the provident and gratuity funds.

Transactions with related parties disclosed here are other than those disclosed elsewhere in the financial statements.

Name of Related Party	Nature of relationship	Nature of transactions	2022 Rupees	2021 Rupees
a) AssetPlex Modaraba Management Company Limited	Management Company	Dividend paid	866,758	-
b) Staff provident fund	Employee's retirement fund	Contribution to fund	221,248	56,526
c) Staff gratuity fund	Employee's retirement fund	Contribution to fund	231,411	45,380
d) Amir Zia	Ex Director	Reimbursement of expenses	2,535,000	-

## 32. NUMBER OF EMPLOYEES

### 32.1 Number of employees at June 30

	2022	2021
- Permanent	5	4
- Contractual	-	12
	<u>5</u>	<u>16</u>

### 32.2 Average number of employees during the year

- Permanent	5	3
- Contractual	-	11
	<u>5</u>	<u>14</u>

## 33. FINANCIAL INSTRUMENTS BY CATEGORY

	2022 Rupees	2021 Rupees
<b>Financial assets as per balance sheet</b>		
<b>At amortised cost</b>		
Investments in debt securities	281,832,631	-
Advances, deposits and other receivables	247,967,762	29,498,727
Bank balances	19,778,001	53,350,982
Diminishing Musharaka	572,498	4,190,176
Ijarah Finance	3,755,007	3,755,007
	<u>553,905,899</u>	<u>90,794,892</u>
<b>At fair value through profit or loss</b>		
Investments in equity securities	13,124,176	1,364,300
<b>At fair value through OCI</b>		
Investments in equity securities	640,467,125	-
	<u>1,207,497,200</u>	<u>92,159,192</u>

	2022 Rupees	2021 Rupees
<b>Financial liabilities as per balance sheet</b>		
<b>At amortised cost</b>		
Creditors accrued and other liabilities	19,194,610	6,087,925
Musharaka finance	60,000,000	-
Security deposits	3,797,138	3,877,138
	<b>82,991,748</b>	<b>9,965,063</b>

### 33.1 Financial risk management

The Modaraba finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity.

The Modaraba has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

#### 33.1.1 Risk management framework

The Board of Directors have the overall responsibility for the establishment and oversight of the Modaraba's risk management framework. The Board is also responsible for developing and monitoring the Modaraba's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Modaraba's activities. The Modaraba aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### 33.2 Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Modaraba's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### 33.2.1 Price risk

The Modaraba has made significant investment in equity securities held for the long term for strategic purposes. Management is assisted by external advisers in this regard. Certain investments are designated as at FVTPL because their performance is actively monitored and they are managed on a fair value basis.

The Modaraba's policy is to manage price risk through diversification and selection of long-term interests in securities and other financial instruments within the specified limits approved by the Board.

## Sensitivity analysis

The Modaraba's short term investments are listed on the Pakistan Stock Exchange classified at FVTPL. A Re. 1 increase in share price at the reporting date would have increase the profit before tax by Rs. 267,895 and vice versa. For sensitivity analysis on investments in equity instruments classified at FVOCI, please refer note 34.

### 33.2.2 Profit rate risk

The profit rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market profit rates. Majority of the profit rate exposure arises from short and long term borrowings from banks and short term deposits with banks. At the balance sheet date, the profit rate risk profile of the Modaraba's profit bearing financial instruments is as follows:

	Effective rate		Carrying amount	
	2022	2021	2022	2021
	-----Percentage-----		-----Rupees-----	
<b>Financial assets</b>				
<b>Profit bearing financial instruments</b>				
Investment in debt securities - at amortised cost	9.15% - 13.14%	-	281,832,631	-
Bank balances - profit and loss sharing accounts	1.95% - 8.68%	1.95% - 5.52%	19,778,001	52,758,009
			<u>301,610,632</u>	<u>52,758,009</u>
<b>Financial liabilities</b>				
<b>Variable rate instruments</b>				
Musharaka finance	18.92%	-	60,000,000	-
			<u>241,610,632</u>	<u>52,758,009</u>

#### Fair value sensitivity analysis for profit bearing financial instruments

The Modaraba does not hold any of the above financial assets at fair value through profit or loss.

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in profit rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	100 bps	
	Increase	Decrease
	----- (Rupees) -----	
Effect on profit - June 30, 2022	<u>2,416,106</u>	<u>(2,416,106)</u>

### 33.2.3 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Modaraba is not exposed to foreign currency risks at the reporting date.

### 33.3 Credit risk

Credit risk is the risk of financial loss to the Modaraba if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Modaraba controls credit risk by monitoring credit exposure, limiting transactions with specific counter parties and continually assessing the creditworthiness of counter parties.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

	<b>Note</b>	<b>2022 Rupees</b>	2021 Rupees
Investments in debt securities	33.3.1	<b>281,832,631</b>	-
Advances, deposits, and other receivables	33.3.2	<b>247,967,762</b>	29,498,727
Ijarah finance	33.3.3	<b>3,755,007</b>	3,755,007
Bank balances	33.3.4	<b>19,778,001</b>	52,758,009
Diminishing musharaka		<b>572,498</b>	4,190,176
		<b><u>553,905,899</u></b>	<b><u>90,201,919</u></b>

**33.3.1** The Modaraba held investment in preference shares of PGP Consortium Limited amounting to Rs. 281.83 million at 30 June 2022 which are rated BBB, based on JCR-VIS ratings. Modaraba has not recognized any impairment allowance during the year ended June 30, 2022 on this investment, as the impact was immaterial.

**33.3.2** The Modaraba assessed as at the year end that there is no risk of default against the advances given for purchase of shares amounting Rs. 131.93 million since, it is expected that these advances would be converted into shares. Although there was a risk that the transaction may have been disapproved by the Regulator and the entity may had to receive back the advance from the counter parties, but the risk was insignificant and did not result in any significant increase in credit risk for the Modaraba. Further, the Modaraba assessed that there was no risk of default against receivable from corporate entities amounting to 104.18 million.

Accordingly, the Modaraba has not recognised any impairment allowance since the impact was not material.

**33.3.3** The Ijarah finance is secured against customers' security deposit.

#### 33.3.4 Bank balances

The Modaraba held bank balances amounting to Rs. 19.78 million at 30 June 2022. These cash and cash equivalents are held with banks which are rated A to AAA+, based on PACRA ratings.

Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Modaraba considers, its cash and cash equivalents have low credit risk based on the external ratings of the banks.

12 month probabilities of default are based on historical data supplied by VIS rating agency for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in Basel Guidelines for unsecured exposures.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

	Ratings		Rating Agency	2022	2021
	Long term	Short term		------(Rupees)-----	
BankIslami Pakistan Limited	A-1	A+	PACRA	17,905,239	51,040,422
Bank Alfalah Limited	A-1+	AA+	PACRA	921,014	1,643,920
Meezan Bank Limited	A-1+	AAA	VIS	55,953	54,371
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	-	5,105
JS Bank Limited	A-1+	AA-	PACRA	737,251	-
Faysal Bank Limited	A-1+	AA	PACRA	153,632	-
State Bank of Pakistan				4,912	14,191
				<b>19,778,001</b>	<b>52,758,009</b>

The Modaraba has not recognised an impairment allowance on bank balances during the year ended June 30, 2022, as the impact was immaterial.

### 33.4 Liquidity risk

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Modaraba will be required to pay its liabilities earlier than expected or will face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. 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 stress conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation.

The table below analyses the Modaraba's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 year	1 - 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Creditors, accrued and other liabilities	19,194,610	-	-	19,194,610	19,194,610
Musharaka finance	60,000,000	-	-	60,000,000	60,000,000
Security deposits	3,797,138	-	-	3,797,138	3,797,138
	<b>82,991,748</b>	<b>-</b>	<b>-</b>	<b>82,991,748</b>	<b>82,991,748</b>
	Less than 1 year	1 - 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Creditors, accrued and other liabilities	6,087,925	-	-	6,087,925	6,087,925
Security deposits	3,877,138	-	-	3,877,138	3,877,138
	9,965,063	-	-	9,965,063	9,965,063

## 34. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount					Fair value				
	FVOCI	FVTPL	Financial assets at amortised cost	Other financial liabilities - at amortised cost	Other liabilities Total	Level 1	Level 2	Level 3	Total	
June 30, 2022										
----- Rupees -----										
<b>Financial assets - measured at fair value</b>										
Investments in equity securities	640,467,125	13,124,176	-	-	-	653,591,301	13,124,176	-	640,467,125	653,591,301
<b>Financial assets - not measured at fair value</b>										
Investments in debt securities	-	-	281,832,631	-	-	281,832,631	-	-	-	-
Advances, deposits and other receivables	-	-	247,967,762	-	-	247,967,762	-	-	-	-
Bank balances	-	-	19,778,001	-	-	19,778,001	-	-	-	-
Diminishing Musharaka	-	-	572,498	-	-	572,498	-	-	-	-
Ijarah Finance	-	-	3,755,007	-	-	3,755,007	-	-	-	-
	<u>640,467,125</u>	<u>13,124,176</u>	<u>553,905,899</u>	<u>-</u>	<u>-</u>	<u>1,207,497,200</u>	<u>13,124,176</u>	<u>-</u>	<u>640,467,125</u>	<u>653,591,301</u>
<b>Non - financial assets - measured at fair value</b>										
Asset held for sale	-	96,616,000	-	-	-	96,616,000	-	-	96,616,000	96,616,000
<b>Financial liabilities - not measured at fair value</b>										
Creditors, accrued and other liabilities	-	-	-	19,194,610	-	19,194,610	-	-	-	-
Musharaka finance	-	-	-	60,000,000	-	60,000,000	-	-	-	-
Security deposits	-	-	-	3,797,138	-	3,797,138	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,991,748</u>	<u>-</u>	<u>82,991,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Non financial liabilities - not measured at fair value</b>										
Liabilities associated with assets held for sale	-	-	-	-	74,601,589	74,601,589	-	-	-	-



# Modaraba Al-Mali

	Carrying amount				Fair value				
	FVOCI	FVTPL	Financial assets at amortised cost	Other financial liabilities - at amortised cost Total	Level 1	Level 2	Level 3	Total	
----- Rupees -----									
<b>June 30, 2021</b>									
<b>Financial assets - measured at fair value</b>									
Investments in equity securities	-	1,364,300	-	-	1,364,300	1,364,300	-	-	1,364,300
<b>Financial assets - not measured at fair value</b>									
Advances, deposits and other receivables	-	-	29,498,727	-	29,498,727	-	-	-	-
Bank balances	-	-	53,350,982	-	53,350,982	-	-	-	-
Diminishing Musharaka	-	-	4,190,176	-	4,190,176	-	-	-	-
Ijarah Finance	-	-	3,755,007	-	3,755,007	-	-	-	-
	-	1,364,300	90,794,892	-	92,159,192	1,364,300	-	-	1,364,300
<b>Non - financial assets - measured at fair value</b>									
Investment property	-	96,616,000	-	-	96,616,000	-	-	96,616,000	96,616,000
<b>Financial liabilities - not measured at fair value</b>									
Creditors, accrued and other liabilities	-	-	-	6,087,925	6,087,925	-	-	-	-
Security deposits	-	-	-	3,877,138	3,877,138	-	-	-	-
	-	-	-	9,965,063	9,965,063	-	-	-	-

	Investment property	Investment in equity instruments
----- Rupees -----		

## 34.1 Reconciliation of Level 3 fair values

Balance as at July 1, 2020	<b>72,090,400</b>	-
Change in fair value - statement of profit and loss account	<b>24,525,600</b>	-
Balance as at June 30, 2021	<b>96,616,000</b>	-
Balance as at July 1, 2021	<b>96,616,000</b>	-
Investment in equity instruments	-	<b>388,172,285</b>
Change in fair value - statement of comprehensive income	-	<b>252,294,840</b>
Balance as at June 30, 2022	<b>96,616,000</b>	<b>640,467,125</b>

Investment property is carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in note 14.1 to these financial statements. The valuation experts used a market based approach to arrive at the fair value of the Modaraba's property. The approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.

### 34.1.2 Sensitivity Analysis

The effect of changes in the unobservable inputs used in the valuation of investment property cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these financial statements.

For the fair values of investments in equity securities, reasonably possible changes at the reporting date of the significant unobservable inputs, holding other inputs constant, would have the following effects:

OCI	
Increase	Decrease
-----Rupees-----	
<b>6,478,069</b>	<b>(6,478,069)</b>

Adjustment in net assets by 1%

## 35 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Modaraba defines as operating income divided by capital employed. The Board of Directors also monitors the level of dividends to ordinary certificate holders.

The Modaraba's objectives when managing capital are:

- "to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for certificate holders and benefits for other stakeholders, and"
- to provide an adequate return to certificate holders.

The Modaraba manages the capital structure in the context of economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Modaraba may, for example, adjust the amount of dividends paid to certificate holders and issue new certificates.

## 36. OPERATING SEGMENTS

Management has determined the operating segments based on the information presented to the Chief Executive Officer of the Modaraba Management Company for allocation of resources and assessment of performance. Reporting structure of the Modaraba is based on this internal management reporting structure. The Modaraba has the following two strategic divisions, which are its reportable segments. These divisions have different operations and are managed separately because they require different strategies.

For working capital requirement and capital expenditure, the Modaraba relies substantially on cash generated from operations. The Modaraba is not subject to externally imposed capital requirements.

Reportable segments	Operations
Financing / Investments	Dividend income, trading of securities, diminishing musharaka and Investments
Fuel station and investment property (discontinued)	Petrol and diesel filling / service station and rental income

### 36.1 Information about reportable segments

Information related to each reportable segment is set out below. Segment profit / (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	2022		
	Financing / Investments	Fuel station / investment property (discontinued)	Total
	-----Rupees-----		
Segment income	58,215,137	18,039,102	76,254,239
Segment profit before tax	58,215,137	6,115,497	64,330,634
Musharaka finance cost	(435,419)	-	(435,419)
Depreciation	-	(144,831)	(144,831)
<b>Segment assets</b>			
Long-term investments	922,299,756	-	922,299,756
Diminishing musharaka	572,498	-	572,498
Ijarah finance	3,755,007	-	3,755,007
Advances	247,015,041	-	247,015,041
Investments	13,124,176	-	13,124,176
<b>Segment liabilities</b>			
Musharaka finance	60,000,000	-	60,000,000
Profit payable on musharaka certificate	435,419	-	435,419
Security deposits	3,797,138	-	3,797,138
	2021		
	Financing / Investments	Fuel station / investment property (discontinued)	Total
	-----Rupees-----		
Segment income	4,760,930	42,485,826	47,246,756
Segment profit before tax	4,760,930	36,814,616	41,575,546
Depreciation	-	430,012	430,012
<b>Segment assets</b>			
Diminishing musharaka	4,190,176	-	4,190,176
Ijarah finance	3,755,007	-	3,755,007
Advances	-	114,556	114,556
Investments	1,364,300	-	1,364,300
Property and equipment	-	67,810,556	67,810,556
Inventory	-	2,280,388	2,280,388
<b>Segment liabilities</b>			
Security deposits	3,877,138	-	3,877,138
Ijarah rental received in advance	123,246	-	123,246

## 36.2 Reconciliations of information on reportable segments to the amounts reported in the financial statements

	2022 Rupees	2021 Rupees
<b>Income</b>		
Total income for reportable segments	76,254,239	47,246,756
Income on profit and loss sharing accounts	3,107,264	645,129
Other income	90,793	-
Elimination of discontinued operation	(18,039,102)	(42,485,826)
<b>Combined income</b>	<b>61,413,194</b>	<b>5,406,059</b>
<b>Profit before tax</b>		
Segment results before tax	64,330,634	41,575,546
Elimination of discontinued operation	(6,115,497)	(36,814,616)
Unallocated amounts:		
- income on profit and loss sharing accounts	3,107,264	645,129
- other income	90,793	-
- administrative expense	(24,126,160)	(6,938,057)
- management fee	(10,768,510)	(4,587)
- provision for Workers' Welfare Fund	(1,875,500)	(691,726)
- musharaka finance cost	(435,419)	-
<b>Profit before tax from continuing operations</b>	<b>24,207,605</b>	<b>(2,228,311)</b>
<b>Assets</b>		
Total assets for reportable segments	1,186,766,478	79,514,983
Other unallocated amounts	140,048,323	209,876,957
<b>Combined total assets</b>	<b>1,326,814,801</b>	<b>289,391,940</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	64,232,557	4,000,384
Other unallocated amounts	135,027,189	15,749,740
<b>Combined total liabilities</b>	<b>199,259,746</b>	<b>19,750,124</b>

## 37. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Modaraba Management Company in their meeting held on October 04, 2022 has approved final cash dividend of Nil per certificate. The financial statements of the Modaraba for the year ended June 30, 2022 do not include the effect of the final dividend which will be accounted for in the financial statements of the Modaraba for the year ending June 30, 2023.

## 38. GENERAL

38.1 The figures in these financial statements have been rounded off to the nearest Rupee.

### 38.2 Corresponding Figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. No significant reclassifications have been made during the year.

## 39. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Modaraba Management Company on October 04, 2022.

**AssetPlex Limited**  
**(Modaraba Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## PATTERN OF CERTIFICATE HOLDING For the Year ended June 30, 2022

Pattern of Shareholding		No. of Folios/CDC Accounts			No. of Certificates		
		Physical	CDC	Total	Physical	CDC	Total
1	100	1,707	279	1,986	34,708	6,671	41,379
101	500	431	191	622	113,149	67,428	180,577
501	1000	202	132	334	148,589	120,259	268,848
1001	5000	256	324	580	504,617	927,395	1,432,012
5001	10000	43	122	165	300,862	977,254	1,278,116
10001	20000	17	79	96	215,200	1,182,907	1,398,107
20001	30000	1	40	41	25,357	961,945	987,302
30001	40000	4	12	16	134,155	420,935	555,090
40001	50000	3	21	24	135,653	961,575	1,097,228
50001	100000	1	31	32	55,786	2,416,412	2,472,198
100001	200000	-	29	29	-	3,926,661	3,926,661
200001	300000	-	1	1	-	250,488	250,488
300001	400000	-	3	3	-	1,133,846	1,133,846
400001	500000	-	2	2	-	833,500	833,500
500001	1000000	-	4	4	-	3,075,097	3,075,097
1000001	2000000	-	1	1	-	1,161,307	1,161,307
2000001	3000000	1	1	2	2,500,000	2,803,000	5,303,000
3000001	5000000	-	2	2	-	7,500,000	7,500,000
5000001	10000000	1	3	4	5,642,888	23,386,301	29,029,189
10000001	20000000	-	1	1	-	17,500,000	17,500,000
		<b>2,667</b>	<b>1,278</b>	<b>3,945</b>	<b>9,810,964</b>	<b>69,612,981</b>	<b>79,423,945</b>

### Free Float

Total No. of Modaraba Certificates	<b>79,423,945</b>
Less:	
Physical Certificates (excluding Modaraba Company)	(4,168,076)
Certificates held by Modaraba Company	<u>(14,746,591)</u>
	<b>60,509,278</b>

## CATEGORIES OF CERTIFICATE HOLDERS

Modaraba Certificates held by	Type/Relation	Nos.*	Physical	CDC	Total	% of holding
Assetplex Limited	Modaraba Company	3	5,642,888	9,103,703	14,746,591	18.57%
Danish Elahi	Substantial Shareholder	1	-	17,500,000	17,500,000	22.03%
Digital Custodian Company Limited	Associated Company	1	-	7,943,905	7,943,905	10.00%
Trusts including Retirement Funds		4	94	7,513,656	7,513,750	9.46%
Joint Stock Companies		21	113,779	4,031,898	4,145,677	5.22%
Financial Institutions		-	-	-	-	0.00%
Individuals		3,880	4,052,681	19,735,961	23,788,642	29.95%
Brokers and Investment Banks		26	1,277	3,687,832	3,689,109	4.64%
Insurance		2	-	16,026	16,026	0.02%
Directors, Spouse and dependent children		-	-	-	-	0.00%
Modarabas		7	245	80,000	80,245	0.10%
		3,945	9,810,964	69,612,981	79,423,945	100.00%

\*based on no. of CDC accounts and Folios

**NOTICE OF 23rd ANNUAL REVIEW MEETING**

NOTICE IS HEREBY GIVEN that the 23rd Annual Review Meeting of Certificate Holders of Modaraba Al Mali (the “Modaraba”) will be held on Friday, October 28, 2022 at 11:00 hrs at Register Office of the Company Office No. 508, 5thFloor, LSE Building, Aiwan-e-Iqbal, Lahore to review the performance of the Modaraba for the year ended June 30, 2022.

**BY ORDER OF THE BOARD**

Place: Lahore

Dated: **October 07, 2022**

**Rashid Matin Khan**

Company Secretary

**NOTES:**

**CLOSURE OF SHARE TRANSFER BOOKS**

1. The Certificate Transfer book will remain closed from October 21, 2022 to October 28, 2022 (both days inclusive). Transfers received at the office of Share Registrar M/s F.D Registrar Services (Pvt) Limited, 17th Floor, Saima Trade Tower-A, I.I Chundrigar Road, Karachi at the close of business on October 20, 2022 will be treated in time for the purpose to attend the Annual Review Meeting.
2. CDC, Certificate holders who wish to attend the Annual Review Meeting, are requested to bring their original Computerized National Identify Card for identification purpose.
3. The Certificate holders are advised to notify change in their address, if any, to the Share Registrar.



## اطلاع برائے سالانہ جائزہ اجلاس

بزرگوار، اطلاع دی جاتی ہے کہ مضاربہ المالہ کے سرٹیفکیٹ ہولڈرز کا تیسواں سالانہ جائزہ اجلاس ۲۸ اکتوبر ۲۰۲۲ء کو سہ پہر ۱۱:۰۰ بجے کمپنی کے رجسٹرڈ آفس #۵۰۸، پانچویں منزل ایل ایس ای پلازہ ۱۹ خیابان ایوان اقبال لاہور میں منعقد ہوگا جس میں رجسٹرار مضاربہ کے سرکلر نمبر ۳/۲۰۲۲ اور پروڈیونٹل ریگولیشن کے شیڈول ۲۰ کے تحت، ۳۰ جون ۲۰۲۲ء کو ختم ہونے والے سال میں مضاربہ کی کارکردگی کا جائزہ لیا جائے گا۔

راشد متین خان

کمپنی سیکریٹری

۷ اکتوبر ۲۰۲۲ء

لاہور

نوٹس:








۱. سرٹیفکیٹس ٹرانسفر بکس ۲۱ اکتوبر ۲۰۲۲ء سے ۲۸ اکتوبر ۲۰۲۲ء تک (بشمول دونوں آیام) بند رہیں گی تاکہ اجلاس میں شرکت کے حقدار کا تعین ہو سکے۔ سرٹیفکیٹ منتقلی کیلئے بروز جمعرات ۲۰ اکتوبر ۲۰۲۲ء کو کاروباری اوقات ختم ہونے سے پہلے تک المالہ مضاربہ کے رجسٹرار آفس میں موصول ہونے والی تمام درخواست سالانہ جائزہ اجلاس میں شرکت اور ڈیوڈنڈ کی تقسیم کیلئے بروقت تصورات کی جائیں گی۔
۲. سرٹیفکیٹ ہولڈرز سے درخواست ہے کہ اگر ان کے پتوں میں کوئی تبدیلی ہو تو رجسٹرار کو آگاہ کریں۔
۳. سی ڈی سی سرٹیفکیٹ ہولڈرز جو اجلاس میں شرکت کرنا چاہتے ہیں، اپنے ساتھ اصل شناختی کارڈ، اکاؤنٹ اور پارٹیسپینٹ آئی ڈی نمبر لازمی لائیں۔










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**LAHORE**

Office 505 | LSE Plaza  
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