



Allied Rental Modaraba

Managed by: Allied Engineering
Management Company (Private) Limited

LAYING FOUNDATIONS POWERING PROGRESS AND MOVING AHEAD

Annual Report 2023





INTRODUCTION

A well-designed infrastructure is an essential driver of national prosperity and is a prerequisite for powering progress. Infrastructure enables a higher quality of life and economic progression by creating jobs, underpinning growth by laying foundations and improving productivity and efficiency.



Contents

12

Vision & Mission

14

Core Values

17

DuPont Analysis

18

Modaraba Information

19

Organogram

20

Product Profile

24

Corporate Briefing Session

25

Allied Sports

27

Achievement

28

Key Financial Data

29

Summary of Cash Flows

30

Value Added Statement

31

Balance Sheet Composition

32

Vertical Analysis

33

Horizontal Analysis

35

Financial Summary at a Glance

36

Annual Review Meeting 2021

37

Notice of Annual Review Meeting

39

Shari'ah Review Report

40

Chairmans' Review Report

41

Directors' Report

51

Certificate Holding Pattern

52

Combined Pattern of CDC & Physical Shareholdings

53

Credit Rating

55

Human Resources & Remuneration Committee

56

IT Steering Committee

57

Audit Committee

58

Statement of Compliance

60

Review Report to the Certificate Holders

61

Auditors' Report to the Certificate Holders

Financials

64

Statement of Financial Position

65

Statement of Profit or Loss Account

66

Statement of Comprehensive Income

67

Statement of Cash Flows

68

Statement of Changes in Equity

69

Notes to and Forming Part of the Financial Statements

112

Offices Across Pakistan

113

سالانہ نظر ثانی اجلاس کی اطلاع

122

ڈائریکٹرز کی رپورٹ

Proxy

تشکیل نیابت داری

KEEPING IT ROLLING





Roads are the arteries through which the economy pulses. Linking producers to markets, workers to jobs, students to school, and the sick to hospitals, roads are vital to the development agenda of any nation.

KEEPING IT GOING





Because of its intensive use of infrastructures, the transport sector is an important component of the economy and a common tool used for powering development and growth. This is even more so in a global economy where opportunities have been increasingly related to the mobility of people and freight including information and communication technologies.

KEEPING IT PROGRESSING





High-density transport infrastructure and highly connected networks are commonly associated with high levels of development. When transport systems are efficient, they provide economic and social opportunities and benefits that result in positive multiplier effects such as better accessibility to markets, employment, and additional investments.

KEEPING IT EFFICIENT





The construction industry is vitally important in terms of contributing to economic development and providing a safe haven. Construction creates, builds and maintains the business workplaces, infrastructure, homes, schools, hospitals, and so on, which provide the services that society relies on. The more innovative, productive and efficient the construction industry is, the greater the economic prosperity of a country.

We, Allied Rental Modaraba, are proud to be playing a small part in the development and progress of our country by providing durable infrastructure through progressively adding ingenuity, new technology, efficiency, and combining best practices with the best services.

Vision

To be the market leader through innovative and reliable equipment rental solutions of Caterpillar range of products.

Mission

To provide best value to our customers through innovative and reliable power generation, earth moving and material handling equipment rental solutions.

To maintain the market leadership in power generation equipment rental through continuous growth of rental fleet.

To continuously strive for Modaraba Certificate holders value by aggressively pursuing growth and profit opportunities that leverage our engineering and financial services expertise.

To pursue profitable growth opportunities in Caterpillar earth moving, material handling and other equipment rental solutions, diversifying our portfolio to other areas of equipment rental solutions.

To provide its countrywide workforce with an environment that stimulates innovation, teamwork, continuous learning and improvement.





Core Values

No document Allied Rental Modaraba has published is more important than our Code of Conduct. From time to time we may revise its words to reflect our constantly evolving enterprise, but the code's basic principle OUR INTEGRITY has never changed.

Modaraba's reputation for integrity is our most valuable asset, Integrity encompasses all that defines and sustains us as a Modaraba - the values we believe in, the high ethical standards we live by, our honesty and behavior in dealing with others, and our commitment to deliver on the promises we make to customers, certificate holders and each other.

Business Ethics

As Modaraba employees, we believe in the importance of working and living according to strong ethical values, as a company and as individuals, we hold ourselves to the highest standard of integrity and ethical behavior. We must always tell the truth.

Human Relationship

Modaraba's continued success requires that we continually seek ways to do our jobs and make our products and services better. Using our individual skills and talents, we must each take personal responsibility for meeting our shared goals and keeping our commitments. We must always consider an "enterprise point of view" that promotes the best results for our Modaraba as a whole.

Business Practices

We know that we can achieve long term business success only when everyone involved behaves honestly and responsibly. We guide our business practices by this principle and expect everyone who does business with us to do the same.

Social Responsibility

Wherever we conduct business or invest our resources, we know that our commitment to financial success must also take into account social, economic, political and environmental priorities. We believe that our success should also contribute to the quality of life and the prosperity of communities where we work and live.

Living by the Code

With the commitment of all Modaraba employees to guide their professional and personal behavior according to our Code of Conduct, its principles become only words. Each of us must accept personal responsibility to read the Code, understand what it means, and apply it consistently.



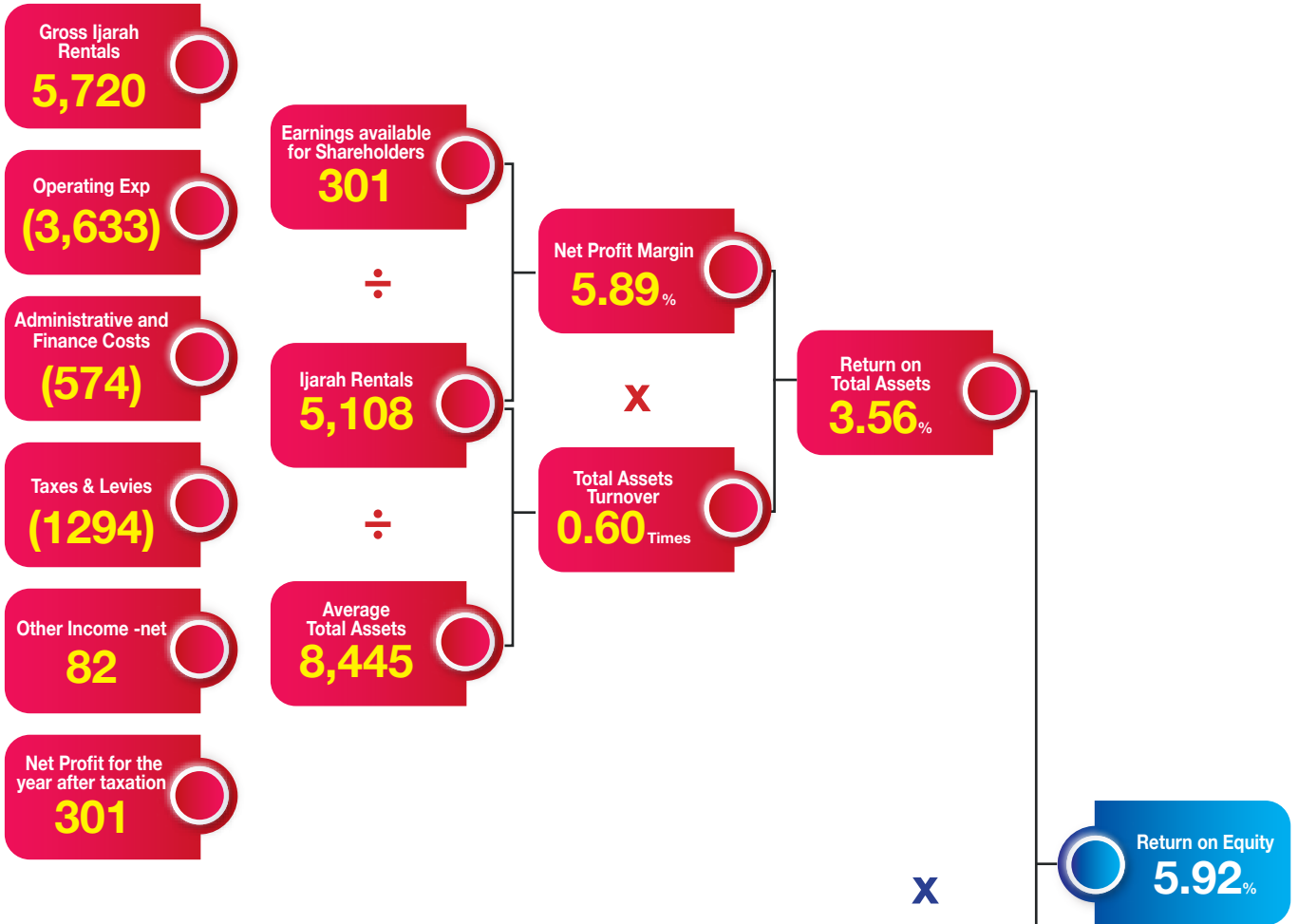




DuPont Analysis

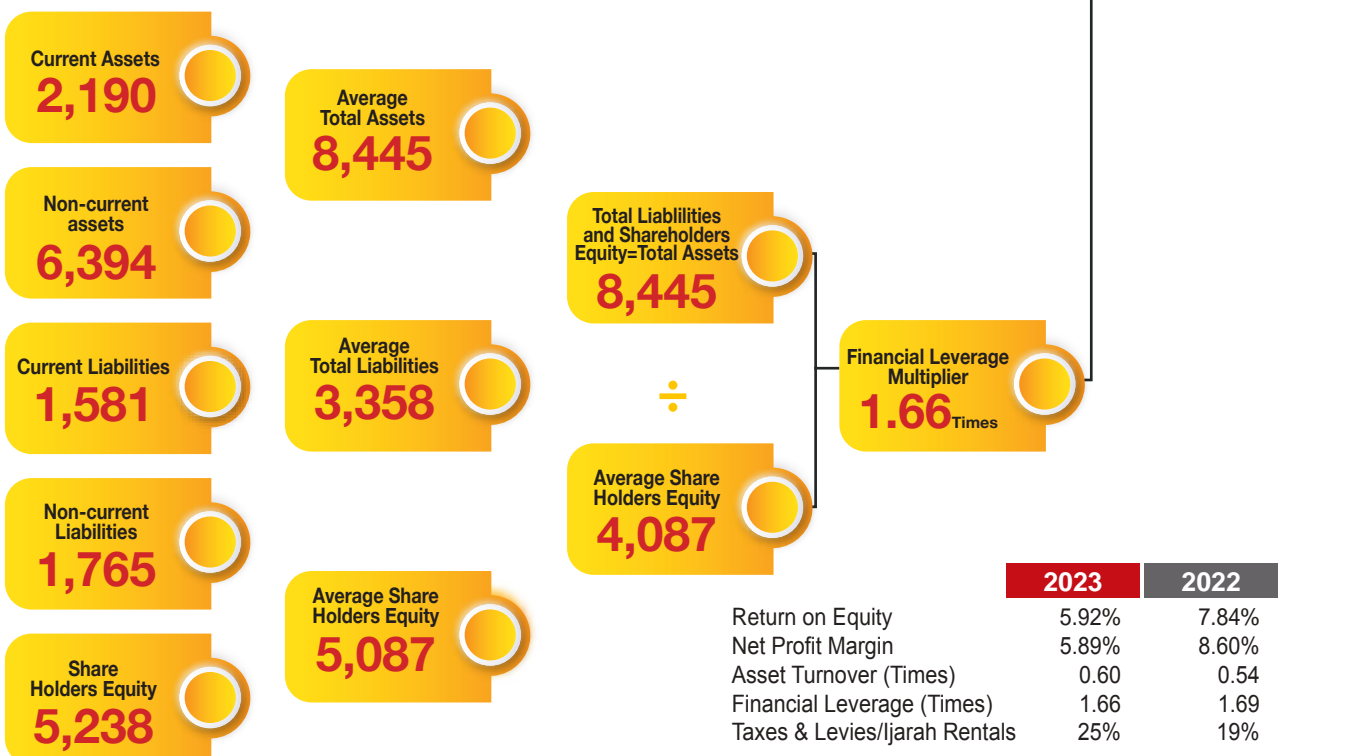
Profit and Loss Account

(Rs. in Million)



Balance Sheet

(Rs. in Million)



	2023	2022
Return on Equity	5.92%	7.84%
Net Profit Margin	5.89%	8.60%
Asset Turnover (Times)	0.60	0.54
Financial Leverage (Times)	1.66	1.69
Taxes & Levies/Ijarah Rentals	25%	19%

Modaraba Information

Board of Directors

Syed Feisal Ali
Chairman

Mr. Murtaza Ahmed Ali
Chief Executive

Mr. Khwaja Ahad Rahman
Non - Executive Director

Mrs. Saira Nasir (Independent)
Non - Executive Director

Mr. Ali Akbar
Non - Executive Director

Mr. Hassan Shehzad Abidi
Non - Executive Director

Mr. Abdul Rahim Suriya
Non - Executive Director

Audit Committee

Mr. Abdul Rahim Suriya
Chairman

Syed Feisal Ali
Member

Mr. Ali Akbar
Member

Chief Financial Officer
Mr. Muhammad Saad

Company Secretary
Mr. Muzzammil Tariq

**Head of Internal Audit
and Secretary to Audit Committee**
Mr. Abid Altaf

**Human Resource and
Remuneration Committee**
Mr. Abdul Rahim Suriya
Chairman

Syed Feisal Ali
Member

Mr. Murtaza Ahmed Ali
Member

Strategic Management

Syed Zulqarnain Jafri
Business Unit Head - Power

Mr. Ali Ahsan
Business Unit Head - Logistics

Mr. Rashid Jehangiri
Business Unit Head - MHE, Machines and Cranes

Mr. Ali Ammar
Head of Human Resource and Business Administrator

Mr. Haider Qutbuddin
Head of Information Technology

Islamic Banks, Islamic Window of Commercial Banks & Lending Institutions

Askari Bank Limited

Habib Bank Limited

Bank Alfalah Limited

National Bank of Pakistan Limited

BankIslami (Pakistan) Limited

Faysal Bank Limited

Soneri Bank Limited

Habib Metropolitan Bank

MCB Islamic Bank Limited

United Bank Limited

Meezan Bank Limited

Dubai Islamic Bank

Bank Al Habib Limited

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Credit Rating Appraiser
JCR - VIS Credit Rating Company Limited

Shari'ah Advisor

Mufti Irshad Ahmad Aijaz

Legal Advisor

Mr. Khalil Ahmed Siddiqui, Advocate

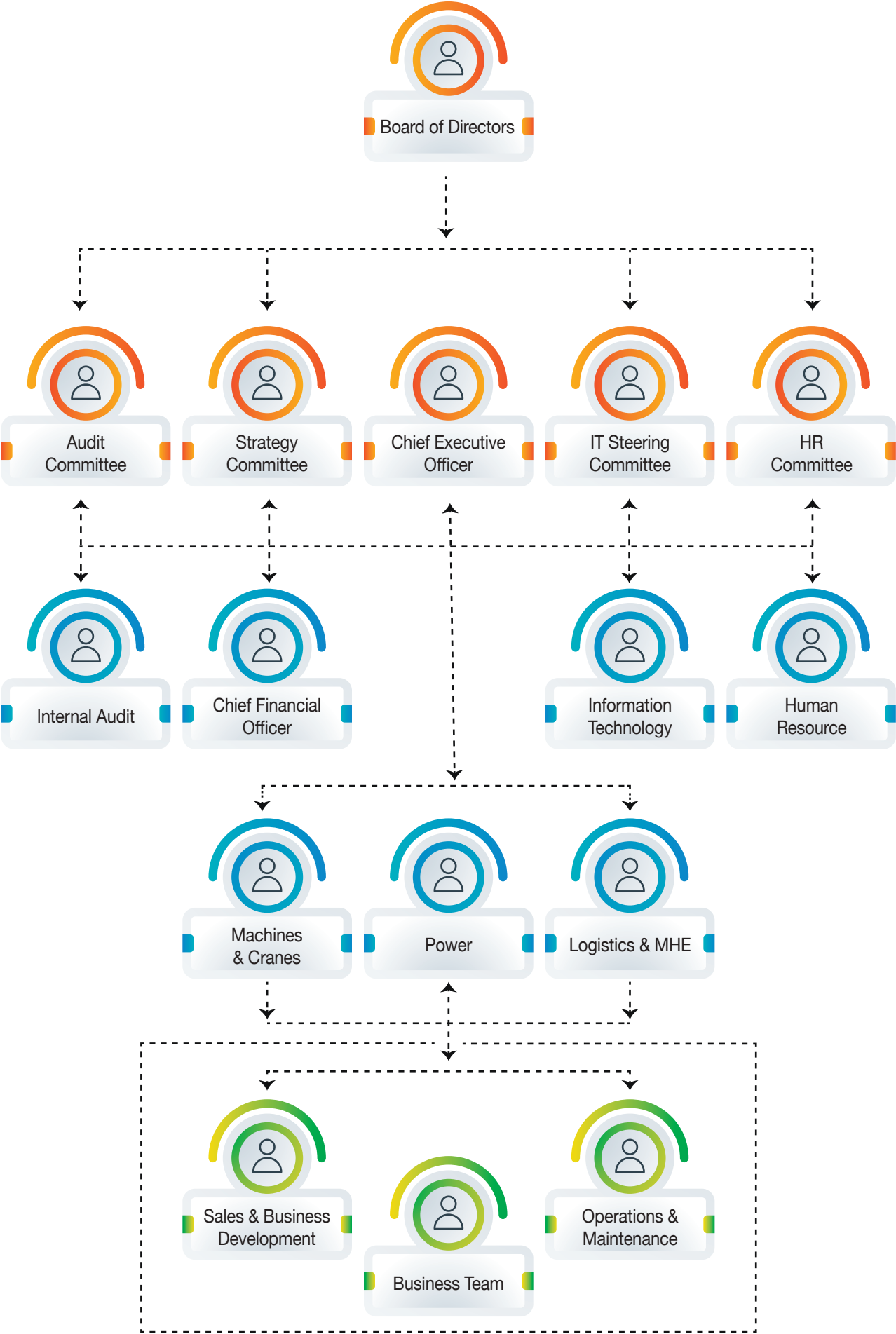
Registered & Head office

21/3 Sector 22, Korangi Industrial Area,
Karachi - 74900 UAN; (021) 111-250-250
Website: www.arm.com.pk

Registrar & Certificate Transfer Office

JWAFFS Registrar Services (Private) Limited
407-408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar,
Karachi. Tel: 021-35662023-24
Fax: 021-35221192

Organogram



Product Profile

CRANE SERVICES

Our cranes fleet comprises of diverse equipment to match unique and customized requirement of superior crane services by our customers. Our skilled workforce and brand new cranes of world renowned crane manufacturer "SANY" make us unique and trusted supplier for quality crane rental solutions and a preferred choice for deployment at most critical sites requiring rigorous compliance, safety and quality standards. Our truck cranes fleet consist of equipment ranges from 20 - 160 tons. Our specially designed dual purpose 10 & 12 tons self loading trucks not only lift load, but also transport the load to desired location providing one window solution for both lifting and transportation jobs.



LIGHTING TOWERS

Our lighting towers are a quick fix solution pertaining temporary lighting problems at various sites and situations. The utility of this equipment spans to process industries, event management, construction sites, oil and gas fields, outdoor games, exhibitions, shopping malls, etc. Ease of setup and mobility is a key feature of our plug and play mobile units. The use of Caterpillar engine in these lighting towers ensures reliability, performance and enhanced safety in an environment friendly manner. Solar lighting towers are a new addition to our lighting solutions primarily powered by free renewable energy from the sun thus providing a cost effective operation in an environment friendly manner.



CONSTRUCTION MACHINES

Caterpillar machines are leaders in earth moving applications. CAT equipment is available for the broadest range of industries and applications. Our diversified construction machines fleet comprises of world renowned CAT & SEM Motor Graders, Soil Compactors, Wheel Loaders and Dozers. Added recently in our fleet, CATERPILLAR Hydraulic Excavators, give us the diversity and flexibility to handle versatility, and the industry's best fuel efficiency. Robustness, fitness and reliability are the hallmarks of our machines rental services. These are ensured by strict compliance of manufacturer's recommendations regarding operation and maintenance of machines by our technical experts.



CONCRETE PUMPS

Be it construction of major infrastructure projects like – roads, bridges, railways – or commercial and residential buildings including skyscrapers, hotels, offices, warehouse, shopping complex etc., for round the clock high volume pumping of massive concrete pours, we have got you covered through our world renowned and globally recognized SANY Concrete Pump. High maneuverability, suitability for confined areas, cost/performance value & long reach on high-rise are some of the benefits that make our pumps the most desirable concrete pumping solution in the industry.



LOGISTICS BUSINESS

Inbound and outbound logistics is a vital part of any company's supply chain process. Once a good is produced, it must be transported to its final destination in cost efficient manner. Considering equipment quality issues and huge market potential in local logistics business, ARM has entered into this business segment by introduction of new and quality equipment from world famous brands. The combination of excellent equipment and skilled operators gives us the ability to offer a high level of service. All of our equipment is carefully maintained to manufacturer standards and is third-party inspected on a regular basis to ensure safe and smooth operation.



INBOUND LOGISTICS / MATERIAL HANDLING SOLUTIONS

The essence of our MHE services solution is "Total Outsourcing Concept" where all aspects of equipment ownership, operation, maintenance and management are handled through one window, keeping in view customer's unique and customized requirement thus relieving the customer to concentrate on his core business activity. The result is the maximum efficiency and peace of mind for our customers for all of their inbound logistics. Our MHE fleet comprises of forklifts, reach trucks, power pallets, telehandlers, skid steer loaders and other material handling equipment with flexibility of diesel, LPG or battery as fuel depending on our customers' unique requirements.

TRUCKING LOGISTICS SOLUTION

We offer a wide array of freight services and logistics solutions depending on the specific requirement of our valued customers. ARM offers both Rigid Trucks and Prime Movers with Semi Trailers for Long or Short hauling. Customized design and Vehicle selection is Hallmark of our Logistics business. Our dedicated workforce continuously strives for on-time delivery in the most cost efficient manner. Our professional teams can evaluate logistics requirements and recommend the optimal strategy for business and time frames. All of our trucks have state of the art satellite equipment which allows complete tracking of freight from the time it is loaded until it reaches the final destination. Strict compliance to road laws, regulations and firm adherence to safety standards give us an unrivaled reputation in the market.



POWER GENERATION EQUIPMENT

The lifeblood of any business is reliable electric power. Allied Rental offers a wide range of Caterpillar power generation equipment to meet the most specific power requirements for various types of applications. Our rental fleet comprising Gas, Diesel and HFO fired Generators ranging from 100 – 2450 kVA, offers the widest power range in the industry. Our Generators can be rented on daily, weekly, monthly or yearly basis with flexible pricing options depending on specific requirement of our customers. ARM also offers long term BOT (Build, Operate and Transfer) solutions where equipment is supplied and operated by ARM for a certain period of time and ownership is transferred to the customer at the end of the contract tenure. d testing requirements.



LOAD BANKS

Whether you are commissioning newly installed generators, Performing maintenance testing on equipment, testing your mission critical UPS or you're in need of portable load for testing of your emergency power systems, we provide Load Banks of up to 1050 kW to meet all your load testing requirements.

POWER HOUSE OPERATION AND MAINTENANCE

Besides Power Generation Rental Services, the company also provides unmatched and exclusive CATERPILLAR powerhouse Operation and Maintenance (O&M) services to a large number of clients that include all major national and multinational corporations / organizations in diverse fields as Textile, Spinning, Pharmaceuticals, Oil & Gas, Petrochemical, Process & Chemical plants, Hotels, Institutes, Hospitals, etc. With its professionally trained technical staff having rich experience in CATERPILLAR Generators and effective back up support system of Allied Engineering and Services (Private) Limited, ARM offers total powerhouse management including complete Operation and maintenance for the customer owned equipment.



Corporate Briefing Session

As per Pakistan Stock Exchange (PSX) notice no. PSX/N-92 dated January 28, 2019, all listed companies were advised to hold at least one corporate briefing program during the financial year for the analyst community and for shareholders to brief about the financial performance and future outlook of the company .

As per the above directive, Corporate Briefing Session (CBS) of Allied Rental Modaraba for the year 2021-22 was held on November 15, 2022 at PSX Auditorium.



Allied Hard Ball Cricket Team



Allied Bowling Championship



Allied Table Tennis



Achievement



PROUD MOMENT FOR ALLIED RENTAL MODARABA.

We are honored to receive the Performance Award from the esteemed **NBFI and Modaraba Association of Pakistan.**

Key Financial Data

		2023	2022	2021	2020	2019	2018
Total Assets	Rs. Million	8,584	8,307	8,319	8,634	8,829	9,036
Current Assets	Rs. Million	2,190	2,169	2,215	2,254	2,183	2,100
Current Liabilities	Rs. Million	1,581	1,744	1,666	1,584	1,981	1,704
Paid-up capital	Rs. Million	2,200	2,200	2,200	2,200	2,200	2,000
Reserves	Rs. Million	3,038	2,736	3,476	3,152	3,134	3,151
Stock holder's equity	Rs. Million	5,238	4,936	5,666	5,352	5,334	5,151
Gross Profit	Rs. Million	1,476	1,240	854	869	915	938
Net Profit	Rs. Million	301	385	532	228	383	395
Profit after Tax	%	5.90	8.60	14.32	6.63	10.02	10.69
Return on Asset	%	3.57	4.63	6.28	2.61	4.29	4.54
Return on Equity	%	5.92	7.84	9.66	4.26	7.30	8.06
Return on Capital employed	%	4	6	8	3	6	5
Expense Ratio	%	82	82	84	85	85	83
Debt to Equity Ratio	times	36 : 64	32 : 68	53 : 47	39 : 61	34 : 66	25 : 75
Current Ratio	times	1.39 : 1	1.24 : 1	1.33 : 1	1.42 : 1	1.10 : 1	1.23 : 1
Price Earning Ratio	times	20.80	12.83	4.36	10.73	7.47	9.05
Earning per certificate - basic and diluted	Rs.	1.37	1.75	2.42	1.03	1.74	1.89
Dividend yield Ratio	%	0	0	14	7	8	6
Dividend Pay out ratio	%	0	0	62	73	57	53
Cash dividend	%	0	0	15	7.50	10	10
Stock dividend	%	0	0	0	0	0	10
Cash dividend per certificate	Rs.	0	0	1.50	0.75	1.00	1.00
Book Value per certificate	Rs.	23.81	22.44	25.75	24.33	24.24	25.75
Market Value per certificate	Rs.	28.50	22.45	10.54	11.05	13.00	17.11

Summary of Cash Flows

	2023	2022	2021	2020	2019	2018
	(Rupees '000)					
Profit before tax for the year	969,347	728,506	532,127	227,521	382,854	395,124
Adjustments For Non-Cash And Other Items	166,699	460,589	491,545	663,528	795,578	1,069,877
Decrease / (increase) in operating assets	(358,872)	41,487	62,720	(125,520)	(225,330)	(734,100)
Increase / (decrease) in operating liabilities	(33,348)	386,813	(315,248)	193,161	216,145	56,532
Cash generated from operations	(392,220)	428,300	(252,528)	67,641	(9,185)	(677,568)
Cash Flows From Operating Activities	743,825	1,617,395	771,144	958,690	1,169,247	787,432
Cash Flows From Investing Activities	(647,597)	(552,206)	(242,284)	(212,328)	(379,205)	(1,212,319)
Cash Flows From Financing Activities	(233,818)	(891,884)	(504,657)	(704,091)	(830,628)	208,678
Net Cash increase/ (decrease) during the period	(137,590)	173,304	24,203	42,272	(40,586)	(216,208)
Cash and cash equivalents at beginning of the period	290,424	117,120	92,916	50,645	91,231	307,439
Cash and cash equivalents at end of the period	152,834	290,424	117,120	92,916	50,645	91,231

Value Added Statement

VALUE ADDED

Revenue from Operation
Less: Operating Expense
Other Income

VALUE ALLOCATED

To Employees
As Remuneration

To Providers of Finance
As Profit on Diminishing Musharakah

To Modarib
As Modaraba Management Fee

To Government Authorities
As Taxes, Duties & Welfare funds

To Certificate Holders
As Profit on Modaraba Certificates

Retained in the Business
As Depreciation
As Reserve and Retained Earnings

2023		2022	
(Rupees '000)	(%)	(Rupees '000)	(%)
5,720,422	99%	4,982,304	98%
(2,908,976)		(2,283,520)	
81,870	1%	80,576	2%
2,893,316	100%	2,779,360	100%
1,390,182	48%	1,243,354	45%
172,607	6%	120,416	4%
10,000	0.35%	10,000	0.36%
1,140,166	39%	887,018	32%
0	0%	330,000	12%
407,224	14%	493,748	18%
(226,863)	-8%	(-305,175)	-11%
2,893,316	100%	2,779,360	100%



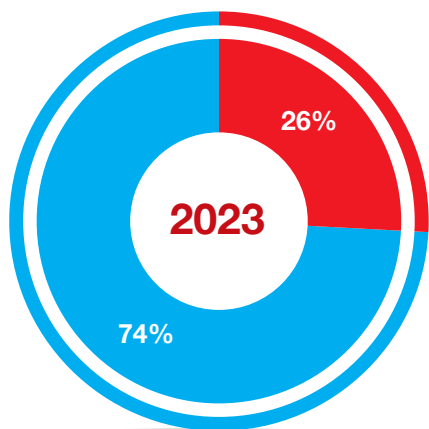
Value Allocated



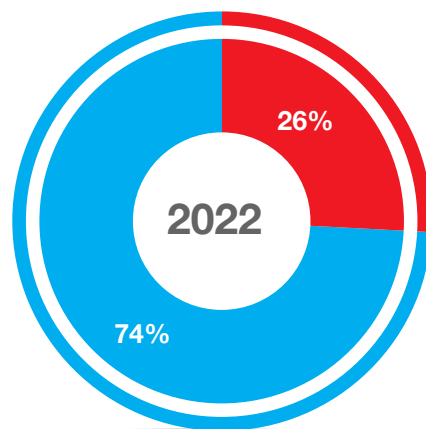
As Remuneration	48%
As Profit on Diminishing Musharakah	6%
As Modaraba Management Fee	0%
As Taxes, Duties & Welfare funds	39%
As Profit on Modaraba Certificates	0%
As Depreciation	18%
As Reserve and Retained Earnings	-8%

As Remuneration	45%
As Profit on Diminishing Musharakah	4%
As Modaraba Management Fee	0%
As Taxes, Duties & Welfare funds	32%
As Profit on Modaraba Certificates	12%
As Depreciation	18%
As Reserve and Retained Earnings	-11%

Balance Sheet Composition

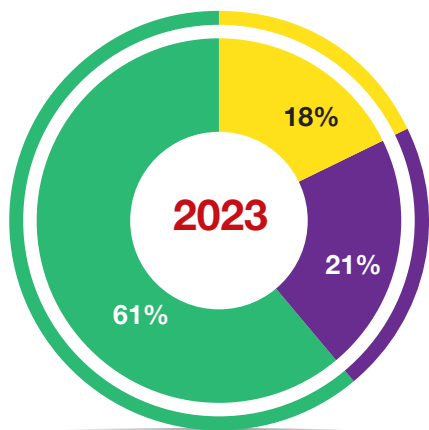


Assets

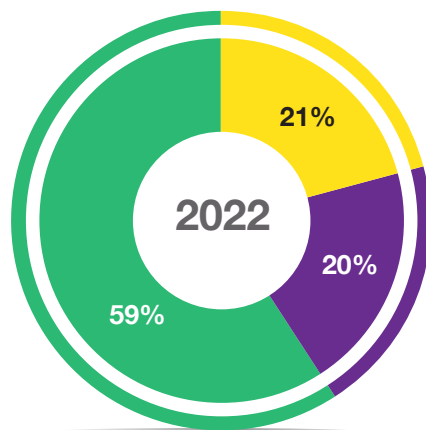


- Total Current Assets
- Total Non - Current Assets

- Total Current Assets
- Total Non - Current Assets



Equity & Liabilities



- Total Current Liabilities
- Total Long Term Liabilities
- Certificate Holders' Equity

- Total Current Liabilities
- Total Long Term Liabilities
- Certificate Holders' Equity

Vertical Analysis

BALANCE SHEET

	2023	2022	2021	2020	2019	2018
	(Rupees '000)					
ASSETS						
Current assets						
Cash and bank balances	2%	3%	1%	1%	1%	1%
Ijarah rentals receivable	13%	11%	14%	13%	14%	15%
Operation and maintenance income receivable	0%	0%	0%	0%	0%	0%
Advances, deposits, prepayments and other receivable	5%	8%	9%	10%	8%	6%
Spare parts	4%	3%	2%	2%	2%	1%
Investment	0%	0%	0%	0%	0%	0%
	26%	26%	26%	26%	25%	23%
Non-current assets						
Long-term security deposits	0%	0%	0%	0%	0%	0%
Diminishing Musharakah financing - secured	0%	0%	0%	0%	0%	0%
Fixed assets in own use - tangible	2%	2%	2%	2%	2%	1%
Intangible assets in own use	0%	0%	0%	0%	0%	0%
Ijarah assets	70%	71%	71%	71%	73%	75%
Capital work-in-progress	2%	1%	0%	1%	1%	1%
	74%	74%	73%	74%	75%	77%
	100%	100%	100%	100%	100%	100%
LIABILITIES						
Current liabilities						
Creditors, accrued and other liabilities	12%	14%	9%	13%	9%	7%
Bai Muajjal - unsecured	0%	0%	0%	0%	0%	0%
Payable to the Modaraba Management Company	0%	0%	0%	0%	0%	0%
Current portion of Long term borrowings	0%	1%	2%	1%	0%	0%
Current portion of Diminishing Musharakah financing payable	4%	5%	8%	4%	12%	11%
Current portion of liabilities against right of use assets	0%	0%	0%	0%	0%	0%
Current portion of other long term liabilities	0%	0%	1%	0%	0%	0%
Contract liabilities	1%	1%	1%	0%	0%	0%
Current portion of security deposits	0%	0%	0%	0%	1%	1%
	17%	21%	21%	18%	22%	19%
Non-current liabilities						
Diminishing Musharakah financing payable	5%	7%	9%	16%	16%	23%
Long term borrowings	0%	0%	1%	1%	0%	0%
Deferred liabilities	2%	2%	1%	1%	1%	1%
Other long-term employee benefits	0%	0%	0%	0%	0%	0%
Liabilities against right of use assets	0%	0%	0%	1%	0%	0%
Other long term liabilities	0%	0%	0%	0%	0%	0%
Deferred tax liability	13%	10%	0%	0%	0%	0%
Security deposits	0%	0%	0%	0%	0%	1%
	20%	19%	11%	19%	17%	25%
FINANCED BY : CAPITAL AND RESERVES						
Issued, subscribed and paid-up certificate capital	26%	26%	26%	25%	25%	22%
Premium on issue of right certificates	15%	15%	15%	15%	14%	14%
Statutory (mandatory) reserve	23%	23%	23%	20%	18%	18%
Unappropriated profit	-2%	-6%	3%	2%	3%	3%
	62%	58%	67%	63%	60%	57%
	100%	100%	100%	100%	100%	100%
PROFIT AND LOSS ACCOUNT						
Ijarah rentals	95%	95%	94%	95%	94%	96%
Operation and maintenance income	4%	3%	4%	4%	3%	3%
Other income	2%	2%	3%	1%	3%	0%
Gross Revenue	100%	100%	100%	100%	100%	100%
Operating expenses	70%	71%	75%	74%	74%	74%
Administrative and distribution expenses	7%	7%	7%	7%	6%	6%
Provision against potential Ijarah losses and operation and maintenance income	1%	3%	0%	3%	3%	3%
Finance costs	3%	3%	4%	9%	7%	7%
Provincial Workers' welfare fund	0%	0%	0%	0%	0%	0%
Total Expenses	80%	84%	86%	93%	90%	90%
Modaraba Management Company's remuneration	0%	0%	0%	0%	0%	0%
Taxaion	13%	8%	0%	0%	0%	0%
Profit Margin	6%	8%	15%	7%	10%	9%

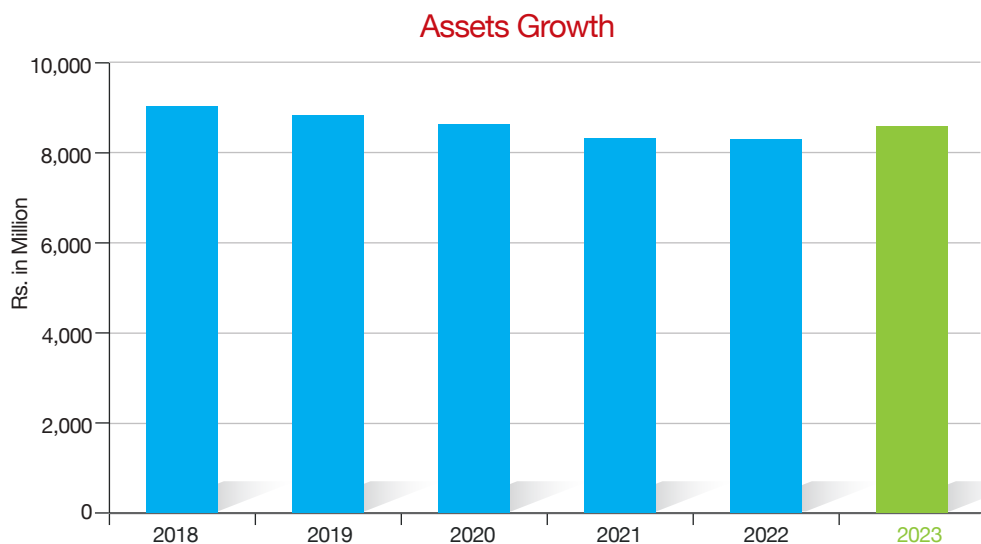
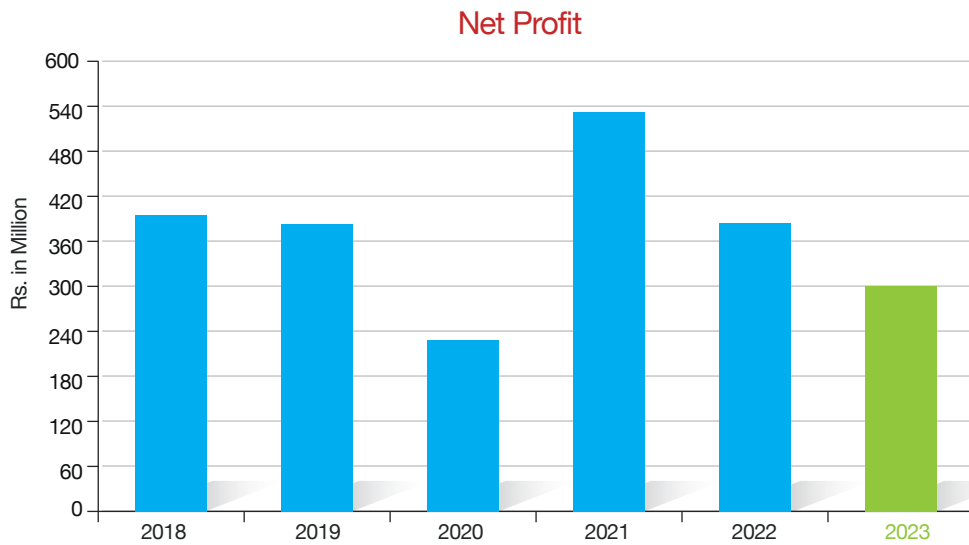
Horizontal Analysis

BALANCE SHEET

	2023	2022	2021	2020	2019	2018
(Rupees '000)						
ASSETS						
Current assets						
Cash and bank balances	-47%	148%	26%	83%	-44%	-70%
Ijarah rentals receivable	22%	-19%	6%	-11%	-7%	35%
Operation and maintenance income receivable	50%	-20%	-28%	35%	-5%	-1%
Advances, deposits, prepayments and other receivable	-27%	-15%	-11%	13%	35%	101%
Spare parts	27%	72%	-17%	44%	30%	44%
Investment	100%	0%	0%	0%	0%	0%
	1%	-2%	-2%	3%	4%	26%
Non-current assets						
Long-term security deposits	362%	0%	0%	0%	0%	0%
Diminishing Musharakah financing - secured	0%	0%	0%	0%	-100%	-86%
Fixed assets in own use - tangible	7%	-7%	-1%	48%	7%	25%
Intangible assets in own use	-80%	-44%	-48%	-53%	-31%	-18%
Ijarah assets	3%	0%	-4%	-5%	-4%	11%
Capital work-in-progress	131%	902%	-87%	-24%	4%	-87%
	4%	1%	-4%	-4%	-4%	4%
	3%	0%	-4%	-2%	-2%	8%
LIABILITIES						
Current liabilities						
Creditors, accrued and other liabilities	-6%	59%	-35%	32%	31%	6%
Bai Muajjal -secured	0%	0%	0%	0%	0%	-100%
Payable to the Modaraba Management Company	-2%	-2%	-5%	-53%	98%	-12%
Current portion of Long term borrowings	-100%	-43%	137%	100%	0%	0%
Current portion of Diminishing Musharakah financing payable	-6%	-35%	74%	-65%	3%	27%
Current portion of liabilities against right of use assets	10%	18%	-21%	100%	0%	0%
Current portion of other long term liabilities	-15%	-76%	100%	0%	0%	0%
Contract liabilities	50%	-4%	100%	0%	0%	0%
Current portion of security deposits	0%	0%	-100%	-74%	68%	65%
	-9%	5%	5%	-20%	16%	11%
Non-current liabilities						
Diminishing Musharakah financing payable	-17%	-24%	-49%	2%	-32%	0%
Long term borrowings	0%	-100%	-5%	0%	0%	0%
Deferred liabilities	21%	22%	14%	14%	21%	33%
Other long-term employee benefits	-14%	15%	-16%	7%	43%	17%
Liabilities against right of use assets	-60%	-19%	-29%	100%	0%	0%
Other long term liabilities	26%	147%	100%	0%	0%	0%
Deferred tax liability	25%	100%				
Security deposits	0%	0%	-100%	-12%	-53%	0%
	9%	65%	-42%	12%	-31%	1%
FINANCED BY : CAPITAL AND RESERVES						
Issued, subscribed and paid-up certificate capital	0%	0%	0%	0%	10%	14%
Premium on issue of right certificates	0%	0%	0%	0%	0%	11%
Statutory (mandatory) reserve	0%	0%	16%	4%	-3%	14%
Unappropriated profit	-64%	-281%	23%	-20%	13%	-24%
	6%	-13%	6%	0%	4%	11%
	3%	0%	-4%	-2%	-2%	8%
PROFIT AND LOSS ACCOUNT						
Ijarah rentals	14%	21%	8%	-11%	3%	19%
Operation and maintenance income	29%	10%	4%	4%	4%	6%
Other income	1%	-22%	269%	-73%	665%	-64%
Gross Revenue	14%	19%	10%	-12%	6%	18%
Operating expenses	12%	13%	12%	-12%	5%	21%
Administrative and distribution expenses	13%	21%	3%	5%	14%	17%
Provision against potential Ijarah losses and operation and maintenance income	-75%	-1179%	-113%	-6%	10%	49%
Finance costs	39%	-20%	-46%	4%	17%	46%
Provincial Workers' welfare fund	21%	21%	-36%	100%	0%	0%
Total Expenses	10%	16%	2%	-9%	7%	23%
Modaraba Management Company's remuneration	0%	0%	0%	0%	0%	0%
Sindh Sales Tax on Management Company's remuneration	0%	0%	0%	0%	0%	0%
Taxation	94%	100%	0%	0%	0%	0%
Profit Margin	-22%	-28%	134%	-41%	-3%	-14%



Financial Summary at a Glance



Annual Review Meeting 2022



Notice of Annual Review Meeting

Notice is hereby given that the 17th Annual Review Meeting of the Certificate Holders will be held on Thursday, October 26, 2023 at 02:30 PM at the registered office 21/3, sector 22, Korangi Industrial Area, Karachi, to review the performance of the Modaraba for the year ended June 30, 2023.

The Certificate Holders whose names appear on the Register of Certificate Holders of Allied Rental Modaraba as on October 19, 2023 will be eligible to attend the Annual Review Meeting.

By order of the Board

Muzzammil Tariq
Company Secretary

September 13, 2023
Karachi.

Note:

1. The Certificate Transfer Book will remain closed from October 20, 2023 to October 26, 2023 (both days inclusive) for the purpose of attending Annual Review Meeting. All transfer received in order up to close of business on October 19, 2023 at our Registrar's office M/s JWAFFS Registrar Services (Private) Limited, 407-408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi, will be considered in time.
2. CDC Certificate Holders desiring to attend the meeting are requested to bring their original CNIC, Account and participant's ID number for identification purpose.





Shari'ah Review Report

For the year ended June 30, 2023

الحمد لله رب العالمين، والصلاة والسلام على رسوله الكريم، وعلى آله واصحابه اجمعين، وبعد

I have conducted the Shari'ah review of Allied Rental Modaraba managed by Allied Engineering Management Company (Pvt.) Ltd. For the year ended 30 June, 2023 in accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas. I report that in my opinion:

1. The systems, procedures and policies adopted by the Modaraba are in line with the Shari'ah principles.
2. The agreement(s) entered into by the Modaraba are Shari'ah compliant and the financing agreement(s) have been executed in accordance with the formats approved by the Religious Board and all the related conditions have been met.
3. To the best of my knowledge and according to the explanations given to me and the rectification of some issues, the business transactions undertaken by ARM and all other matters incidental thereto are in conformity with the Shariah requirement as well as the requirement of the prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah Compliance and Shariah Audit Regulation for Modarabas.

Conclusion:

Based on the above-mentioned facts I am of the view that the business operations of ARM are Shari'ah compliant up to the best of my knowledge. I hope the management would continue its endeavors to comply with rulings of Shari'ah in its business operation and future transactions.

وَصَلَّى اللهُ عَلَى نَبِيِّنَا مُحَمَّدٍ وَبَارَكَ وَسَلَّمَ



Irshad Ahmad Aijaz

Shari'ah Advisor

Dated: 11 September, 2023



Chairmans' Review Report

For the year ended June 30, 2023

I am pleased to present the Annual Report for the year 2023.

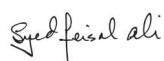
The industrial sector of the country is currently grappling with considerable macroeconomic challenges. Factors such as high inflation, ongoing depreciation of the Rupee, and a heavy tax burden are among the primary issues affecting businesses. Operating costs are continuously on the rise, and passing these increased expenses on to customers in such challenging circumstances is an exceedingly difficult task, especially when our customers' businesses are under immense pressure to maintain their continuity and sustainability. Given that our industry relies heavily on both capital and labor, the escalating costs of new capital investments and ongoing business operations pose a significant obstacle to sustainable growth in the future.

Despite the substantial macroeconomic challenges facing the overall economy, the Modaraba has demonstrated strong performance. Our net sales amounted to Rs 5.1 billion, representing a 14% increase compared to the previous year, and our pre-tax profit reached Rs 969 million. After accounting for income tax expenses of Rs 450 million and deferred tax provision of Rs 217 million, our PAT closed at Rs 301 million. During the year, we made new capital investments totaling Rs 792 million; 58% of the funding coming from our own resources.

Due to withdrawal of the Tax Exemption on Modarabas with effect from July 1, 2021, as announced earlier, the Management decided to restructure its current legal structure of the Modaraba and separate the existing businesses with all its assets and liabilities, including all contingent liabilities into two separate Private Limited Companies, one for the Rental Business of all Machines and Equipment and another for the Logistics business. All regulatory formalities are complied with as per law, including filing the required petition in the Sindh High Court. As per SHC order we are currently waiting for the publication of the notification in the official gazette, for the SHC to finally issue the necessary Court order of approval of the proposed restructuring scheme.

The future prospects for our business and its long-term viability hinge significantly on the government's adoption of business-friendly policies, particularly those related to improving the ease of doing business. Currently, the situation is quite the opposite, as there seems to be a lack of attention from our regulatory and fiscal authorities towards stimulating growth and encouraging the adoption of corporate business models. The taxation approach stands as a substantial obstacle to the growth of organized and tax-compliant businesses. Regrettably, it inadvertently fosters the presence of non-compliant players within the market, undermining fair competition and compliance within our industry.

As we navigate these challenging economic times, we remain steadfast in our dedication to both financial growth and social responsibility, recognizing that our success extends beyond the balance sheet to the positive impact we make in the industry.



Syed Feisal Ali
Chairman

September 13, 2023

Directors' Report

For the year ended June 30, 2023

The Board of Directors of Allied Engineering Management Company (Private) Limited, the management company of Allied Rental Modaraba, is pleased to present to its certificate holders the Directors' Report together with Audited Financial Statements of the Modaraba for the year ended June 30, 2023.

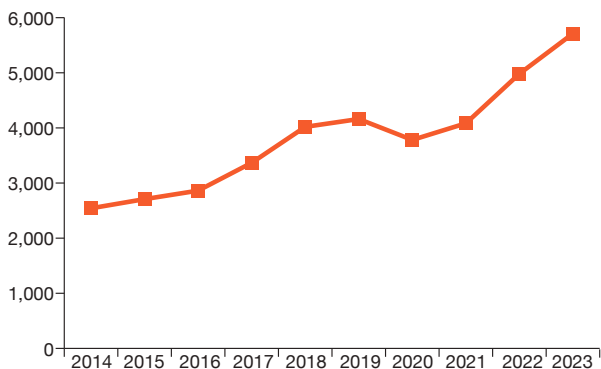
FINANCIAL HIGHLIGHTS

	2023
	Rs. in '000'
Gross Sales Revenue, inclusive of Provincial Sales Taxes	5,720,422
Net Sales Revenue	5,108,592
Profit before tax for the year	969,347
Less: Income Taxes	667,963
Profit after tax for the year	301,384
Un-appropriated loss brought forward	468,340
Accumulated losses	166,592
Un-appropriated loss carried forward	166,592
Net profit margin	5.9%
Return on equity	5.92%
Earning per certificate	Rs 1.37
Break-up value per Certificate	Rs 23.81
Price Quoted on Pakistan Stock Exchange on June 30, 2023	Rs 28.50

BUSINESS REVIEW

Revenue Analysis

The Gross Sales Revenue of the Modaraba, which includes Provincial Services Sales Tax, demonstrated substantial growth, reaching Rs. 5,720 Million compared to the previous year's figure of Rs. 4,982 Million, reflecting a notable increase of 15%. The revenue growth over the past decade is shown in the chart below.



The profit for the year, prior to accounting for taxes, rose to Rs. 969 Million, marking a significant increase of Rs. 240 Million (33%) compared to the previous year of Rs. 729 Million. As this is the Modaraba's second year operating under the taxation regime, the total taxes for the year, including deferred taxes, amounted to Rs. 668 Million, including provision of Rs. 76 Million for prior year tax adjustment. Consequently, the profit after tax for the year after taxes stands at Rs. 301 Million, as compared to Rs. 385 Million of last year.

The Power Rental Segment continued its growth trajectory, contributing a substantial Rs. 2 Billion in sales. Across all segments of the power rental division, performance exceeded both benchmarks and yearly targets. The demand for large MW units for rental remained consistent throughout the year, driven by a

weak grid, limited availability of gas for captive power units, and a general uptick in demand. Furthermore, improved pricing strategies contributed to enhanced profitability within the MW segment. Within the < 1000 KVA range and the D3500 series of diesel units, revenue saw an uptick due to more effective deployment and price adjustments to offset cost increases. These deployments spanned various sectors of the economy, ranging from textiles and cement to housing societies, as well as encompassing industrial and commercial segments. Our strategic deployment on construction project sites provided a competitive advantage, allowing us to offer a comprehensive range of products, including construction equipment, machinery, cranes, and concrete equipment. It's worth noting that all our long-term contracts concluded with satisfactory payments from our customers. However, the Gas Rental units Sales declined by 13% due to gas availability for captive power units.

In our Diesel Power Rental business, we have introduced new units to replace some of the older ones in our fleet. We believe that our current fleet size is well-equipped to satisfy the prevailing market demand, all while considering the long-term economic outlook.

Our Inbound Logistics segment maintained its impressive performance throughout the year, recording a 20% increase in sales. The majority of our contracts within the In-bound segment are long-term partnerships with reputable companies, involving the continuous management of plant and warehouse logistics on a round-the-clock, year-round basis. It's crucial to highlight that this responsibility demands specialized skills and expertise, particularly in ensuring the health and safety of our employees, equipment, and our customers' inventory and facilities. This commitment to safety allows us to provide accident-free service to our valued customers. In addition to adding new customers to our list, our growth strategy for this segment includes

the incorporation of new, fuel-efficient units and electric forklifts, allowing us to offer cutting-edge technologies and solutions to our clients.

Our Outbound Logistics segment has not only sustained its business levels but has also surpassed the significant milestone of Rs. 1.5 Billion in sales. We have established partnerships with nearly all the leading blue-chip companies in the FMCG sector, including Unilever, Nestle, Engro, Northern Beverages, and the Oil and Gas Company Schlumberger, among others. Our unwavering dedication to adhering to Health, Safety, and Environment (HSE) guidelines has solidified our reputation as a trustworthy and dependable vendor for their outbound logistics needs. Nevertheless, the business landscape presents its fair share of challenges. These challenges include stiff competition from unorganized sectors with competitive pricing, the lack of effective implementation of regulatory measures concerning Axle Load Compliance on Motorways and Highways, which has led to the issue of overloading, and the ongoing struggle to secure skilled and dependable manpower.

Despite the significant operational challenges, we face, we are also optimistic about the strong growth potential within this segment. This optimism is particularly tied to Pakistan's role as a burgeoning transit hub in the region and a key corridor for the transportation of Chinese cargo as part of the China-Pakistan Economic Corridor (CPEC). In alignment with this vision, various Transport Associations are actively collaborating with the Government to finally implement the long-pending Axle Load Regime (ALR), a matter that has been unresolved for the past two decades despite the existence of the National Highway Safety Ordinance (NHSO). The implementation of the ALR holds immense promise, as it not only addresses the issue of overloading but also contributes to improved price realization and the adoption of more effective vehicle maintenance and management practices. This will better prepare our country's logistics sector to meet the demands and challenges of future business, positioning it for growth and success in the evolving landscape.

Our CAT Machines and SANY Cranes rental segment achieved a sales figure of Rs. 663 million for the year. This segment remains highly challenging, primarily because it is dominated by an unorganized sector offering subpar products and faces a scarcity of skilled labor. However, our competitive advantage lies in providing state-of-the-art CAT and SANY branded machines, coupled with a dedicated focus on a trained and skilled workforce, and strict adherence to Health, Safety, and Environment (HSE) guidelines. Throughout the year, we undertook significant deployments and projects, including sites with the Frontier Works Organization (FWO), Chinese contractors at Bhasha, Dasu and Mohmand Dam sites and construction projects of National Logistics Cell (NLC). We see strong growth prospects in this segment, especially Rekodik Project in Balochistan, Bhasha Dam and other Dam sites. However, the main challenge is increased cost of New Equipment due to depreciation of currency and availability of import quota from SBP to import new machines. In addition the rising cost of servicing, operation and maintenance requires

significant increase in rental rates to remain profitable in this segment.

In the Machine Rental business, a significant challenge we encounter is the payment cycle of contractors, which is often contingent on their ability to recover funds from the government. Macro-economic stability, resolution of Circular Debt crises are the key factors that could severely impact the growth and profitability of this segment. While our primary focus for deploying these units is now with organizations like FWO and other Chinese contractors, the issue of receiving timely payments from contractors for our services remains a major hurdle that we continue to navigate.

Operating Expenses

Operating Expenses for the year registered 12% increase, reaching Rs. 3,633 Million compared to the previous year's figure of Rs. 3,235 Million. This uptick is in alignment with the growth in revenue. Specifically, Salaries and wages experienced an increase, rising from Rs. 1,075 Million to Rs. 1,206 Million. This change can be attributed to the expanded deployment of units, compliance with the government's minimum wage directive, and adjustments to wages to address inflation and the rising cost of living. On the other hand, Repairs and Maintenance decreased from Rs. 532 Million to Rs. 411 Million, mainly due to the localization of imported products and unavailability of certain items due to import restrictions, hence deferring the repair and maintenance to next periods. Meanwhile, Fuel Costs saw a significant surge, rising by 38%, primarily due to the substantial increase in fuel prices. Depreciation for the period was recorded at Rs. 356 Million. Despite these expense increases, the Gross Profit exhibited a robust 19% growth; closing at Rs. 1,476 Million.



Takaful / Insurance charge remained constant at Rs. 45 million during the year from Rs. 44 million in the previous year.

Administrative and Selling Expenses

Administrative and Selling Expenses went up by 13% to Rs. 350 Million as compared to Rs. 308 Million in the preceding year. Major increase is witness in Vehicle Running Costs which went up by Rs. 13 Million, due to the substantial increase in fuel prices. Salaries and wages only went up by Rs. 17 Million (9.7%) efficiency adjusted for inflation adjustment of salaries.



Business segments being restructured, based on product lines, allows us to focus on each business segment with a dedicated and specialized sales force. Additionally, our Modaraba has successfully completed its 8th year of implementing the new IT system “Microsoft AX and Sycor Rental,” which efficiently serves the diverse needs of multiple business units and segments. Our in-house software development expertise has consistently ensured that we continue to improvise and develop our IT tools in line with our business needs, statutory and management reporting requirements.

Finance Cost

Despite achieving an overall reduction in our borrowing levels, our mark-up costs for the year increased to Rs. 181 million, compared to last year’s charge of Rs. 131 million. This rise can be attributed to a significant surge in interest rates during the last fiscal year.



Other Income

Profits on Savings account plus investment in mutual funds and proceeds from disposal of scrap generated other income of Rs. 13 Million and Rs. 48 Million respectively. Disposal of old units resulted in gain of Rs. 16 Million as compared to loss of Rs. 10 Million in the preceding year.

Provision against Rental Receivables

During the year, Rs 40 Million receivables were written off. Pakistan is facing severe economic challenges and its affects are seen all across the sectors of economy. Inflation at its all-time high levels, continued devaluation of the Rupee, pressure on our Foreign Exchange front are the key ails of the present economic situation. Accordingly, based on our discussion with auditors and IFRS 9 standards, additional provision of Rs 33 Million for the year was booked in the accounts.

TAXATION AND LEGAL MATTERS

Through Second Amendment Ordinance promulgated by the Honorable President of Pakistan on March 22, 2021, later on ratified through Finance Act 2021, the Income Tax exemption available to Modaraba under Clause 100 of the Second Schedule of the Income Tax Ordinance, 2001 was revoked with effect from July 1, 2021.

As the Income tax exemption available to Modaraba has been withdrawn, a tax charge of Rs. 668 Million have been booked in the Profit and loss account. This includes Rs 375 Million as Current Tax for the year, 76 million prior year tax adjustment and Rs 217 Million for deferred tax liability arising due to timing differences and effect of change of rate to 39% from 33%. During the year Withholding Tax / advance tax of Rs. 318 Million was deducted / paid. The net amount now receivable from Tax Authorities now stands at Rs. 287 Million as at June 30, 2023.



Further, Modaraba is under litigation with various Appellate authorities in different legal and taxation matters, the details of these cases are reported in note 11 and 25 to the Financial Statements.

Due to withdrawal of the Tax Exemption on Modarabas with effect from July 1, 2021, as announced earlier, the Management decided to restructure its current legal structure of the Modaraba and separate the existing businesses with all its assets and liabilities, including all contingent liabilities into two separate Private Limited Companies, one for the Rental Business of all Machines and Equipment and another for the Logistics business. The petition for the scheme of arrangement was filed in the Sindh High Court (SHC) on October 10, 2022. Thereafter the SHC accepted the petition for hearing and ordered to convene the Extra Ordinary General Meeting of the certificate holders / shareholders of the Modaraba and other petitioner companies and publication of the petition in the official gazette. The Extra ordinary general meetings of all the petitioner companies were conducted on November 25, 2022 wherein, the resolution approving the scheme of arrangement was passed unanimously by the certificate holders / shareholders of all the petitioner companies. Thereafter, the minutes of the meetings of all the petitioners were submitted in the SHC. All the relevant information / disclosures were timely made to the stakeholders through PSX data portal. At present, the publication in the official gazette is pending along with any other matter that SHC may raise in future

hearings. Hence, the petition in the SHC is awaiting the final decision. In compliance with regulatory and listing requirements all appropriate and relevant disclosures were made during the year on the PSX Board to timely inform our Certificate holders. The Modaraba management expects to get approval from the SHC before June 30, 2024.

Since, more than 95% certificates of the Modaraba are held by the associated and the group companies by virtue of which the above transaction will be considered as a transaction under common control and will be accounted for under predecessor method of accounting in accordance with the requirements of 'Accounting for Common Control Transactions' standard (which specifies the accounting for common control transactions) issued by the SECP. Currently, there is no potential impact that requires adjustment to the carrying values and classification of assets and liabilities in the books of the Modaraba as at the reporting date.

FUTURE STRATEGY

The Power Rental Business remains the largest segment of the Modaraba, contributing 41% to the overall Sales Revenue. The Modaraba will maintain its replacement cycle for the power rental fleet, aligning it with the disposal of used units. This strategy is driven by the improved fuel efficiency and enhanced reliability of the newly replaced units, providing the Modaraba with a competitive advantage and allowing it to command premium pricing from its customers.



The Construction Machines and Equipment segment accounts for a 15% share of the Modaraba's overall Sales Revenue. This segment will continuously assess investment prospects in its fleet based on demand from DAM Construction sites and Rekodik Project, while considering the competitive landscape of the investor-operator sector that often offers lower pricing and lower quality services. The goal is to seize opportunities in this growing market by introducing new, dependable, and fuel-efficient units. The organizational structure is already in position to specifically target this segment, which encompasses a range of equipment including Cranes, Excavators, Motor Graders, Compactors, Wheel Loaders, Lighting Towers, and other construction equipment.

In the In-bound logistics segment, the Modaraba consistently provides a comprehensive 360° solution to its customers, particularly within the bottling and

packaging industry. This is achieved by delivering efficient and cost-effective solutions utilizing its CAT Forklifts.

Management strongly believes that logistics represents a promising area for investment and growth for the Modaraba in the future. The sector has suffered from underinvestment, suboptimal roadside engineering practices, and an overall lack of infrastructure, leading to inefficiencies and increased transportation costs. The failure to implement recommendations outlined in the Trucking Industry report and Axle Load Regime under the National Highway Safety Ordinance, 2000 further hinders sustainable growth in the trucking industry. The Modaraba has entered into rental agreements for transportation contracts with renowned FMCG brands, demonstrating our customers' confidence in our ability to fulfill our commitments. To ensure compliance with Health, Safety, and Environment (HSE) standards, the Modaraba continually certifies its Logistics business through Responsible Sourcing Audits, following the guidelines of SMETA by Bureau Veritas Pakistan. We perceive substantial growth potential in this sector, particularly with prominent FMCG brands where we have nurtured relationships by providing rental solutions in both Power Rental and Logistics Rental businesses. Additionally, the movement of goods within the Transit Hub and China-Pakistan Economic Corridor (CPEC) corridor presents another significant opportunity. Our business unit is well-informed about the substantial potential in this regard, and as our knowledge base in this segment expands, we anticipate profitable growth prospects.

DIVIDEND

The Management has decided not to declare dividends for the year. The non declaration of dividend has no impact on the taxability of the Modaraba and the Management feels that funds are required both for the repayment of expensive debt and for reinvestment in new rental fleet.

CREDIT RATING

The Management of the Modaraba is pleased to inform that JCR-VIS Credit Rating Company Limited has maintained the entity ratings of Allied Rental Modaraba (ARM) at "A +" (Single A Plus) for long term & "A-1" (Single A-One) for short term. This again depicts the confidence of the rating agency on the performance of the Modaraba and its capacity to meet its financial obligations.



INFORMATION TECHNOLOGY

Considering the continuous growth of the Modaraba in multi-dimensional Rental business portfolio with Asset base reaching over Rs. 12 Billion, the management decided in 2016 to invest in its IT infrastructure and selected the ERP solution of Microsoft AX Dynamics with an integrated add on German based computer software SYCOR for its rental business needs.



Implementation process started with the purchasing of Licenses for software, training of team members and test runs were completed during the previous periods including implementation of financial, rental and sales module.

Through ERP implementation, Modaraba have been benefited in the following ways:

- Unlike point solutions (historically used by small to midsize businesses) that rely on multiple (sometimes duplicating) databases which strain IT resources, ERP solutions standardize the use of one application to run its entire business. This not only increases efficiencies, but also decreases the overall total cost of ownership (TCO), thereby reducing operational costs and improving the Modaraba's profitability.
- Tighter controls for financial as well as Caterpillar Five Star Rental compliance declaration and other statutory forms of compliance reporting.
- The single data source for product and services information - such as information related to suppliers, vendors, customer orders and the products themselves - drive rapid product development and launch cycles which increases a company's overall market share.
- Increased access to valuable corporate data delivers a clear, global view of the business that drives continuous improvement strategies and establishes common performance metrics and measures to gauge the health of the business.
- Effectively managing projects holistically fosters decision making at all critical levels starting from development to all its operational phases.
- Support for streamlined sourcing and procurement processes drive alignment to customer demands, and also deliver a centralized buying model to reduce unauthorized and unnecessary expenses.

- Providing sales and operations planning with access to critical information fosters "closed loop" processes that ensure the business does not overpromise and/or under deliver to its customers.

Automating business processes such as invoicing and sales and purchase orders within one system improves forecasting accuracy and reduces inefficiencies. Using a single base of information for billing and other customer interactions improves service levels and increases customer retention.

During the year, Management and ERP team remained focused on the project and following milestones were achieved including:

Enhancement of Trip Management System

Entire Fleet Management is done via TMS System which has been locally developed by our IT team as a module in AX, this system is fully integrated with our core financial system which helps us in controlling and monitoring our trips more efficiently and provides valuable insight of our logistics business. During the year numerous financial reports, comparison of financial and operational data and analytical reports were added in the system to monitor performance vs KPIs and set corrective actions in place as quickly as possible.

Microsoft Power BI

Power BI Project was started last year with a target kept in mind to enhance our reporting structure and drilling deep down in our datasets. Main Idea was to focus on our segment trends and operational reporting.

Key Benefits of using Power BI

Integrates seamlessly with existing applications:

Power BI integrates easily with your existing business environment allowing us to adopt analytics and reporting capabilities.

Rich personalized dashboards:

The crowning feature of Power BI is the information dashboards, which can be customized to meet the exact need of any enterprise. We can easily embed the dashboards and BI reports in the applications to provide a unified user experience.

Publish reports securely:

The tool helps you to setup automatic data refresh and publish reports allowing all the users to avail the latest information.

No specialized technical support required:

Power BI provides agile inquiry and analysis without the need for specialized technical support. It supports a powerful natural language interface and the use of intuitive graphical designer tools.

Extracting business intelligence rapidly and accurately:

It helps in transforming our enterprise data into rich visuals, thus extracting business intelligence for enhanced decision making.

During the year, a charge of Rs 0.45 Million was made in the year for the amortization of IT costs incurred.

FUTURE OUTLOOK

On the business front, due to focused and targeted marketing campaigns resulting in better outreach to our customers, diversification of customer and business segments, better treasury management, the Modaraba was able to present stellar performance and closed at approx. Rs. 5.1 Billion Sales and Rs. 969 Million Pre-Tax Profits. We expect this Sales and before tax profitability trend to continue in the coming years. However, with the withdrawal of the Tax Exemption on Modarabas and regressive Withholding Tax Regime of 9% (2023: 8%) WHT on Rental Services and 4% (2023: 3%) on transportation services, the overall profitability after tax on the rental business will continue to remain under pressure. We are actively pursuing tax authorities and different other regulatory forums for this discriminatory and regressive WHT tax regime, to bring them in line with other sectors of the economy.

Rental of Assets is extremely Capital-Intensive businesses and provides services to the Industries and all construction projects. Rental Service providers are actively engaged in major projects of Strategic nature by rendering services to major infra structure projects such as Construction activities of Bhasha Dam, Mohmand Dam, Dasu Dam, Gwadar International Airport Project, various CPEC Motorway projects, Jaglot-Skardu Road (Gilgit - Baltistan), Thar Coal Power Project and many other such projects. The sector is not only supporting major projects of National interest but also generating employment for thousands of people and building valuable human capital through continuous investment in development and training.

The 9% withholding tax rate will be highly regressive and works out to a net taxable profit margin of 29%, as per following chart:

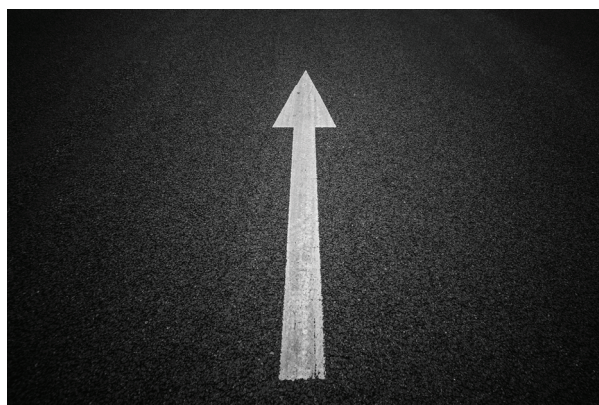
Description		Withholding @ 9%	Withholding @ 4%
Sales	A	100	100
Sales tax (Punjab Sales tax on Services) @ 16%	B	16	16
Total Sales	C=A+B	116	116
Withholding Tax deduction	D = C × W/H Rate	10.44	4.64
Corporate tax rate	E	34%*	34%*
Taxable Net Profit Margin	F = D / E	31%	13%

* (29% Corporate tax rate + 5% average Super tax rate)

Based on published statistics of our financial results, the last 7 years average Net Taxable Profit Margin works out to an **average of 13%**, ranging from highs of 19% to lows of 7% per annum and even achieving these margins in current macroeconomic environment is very challenging. This amply demonstrates that the WHT of 9% will be highly regressive, discriminatory and tantamount of closure of this both capital and labor intensive business, providing essential rental services to all industries and upcoming Power and Infrastructure projects in Pakistan.

Capital intensive businesses such as Rental Assets, either in Pakistan or in any part of the world, cannot generate 31% Net Taxable Profit. This is extremely regressive and tantamount of closer of such businesses in Pakistan. In the Finance Bill 2021, Oilfield Services,

Warehousing Services, Logistics Services, Collateral Management Services and Telecommunication Services are classified under reduced rate of 4%. Two similar nature of services, namely rent a car and transportation services are already included in the reduced rate services @ 4% Withholding tax rate. Rental of Machinery / asset is similar to these two services and it is discriminatory to levy WHT at extremely higher rate of 9%.



In this connection, we made presentations on Federal budget 2021-22 and 2022-23 to Senate Standing Committee and Anomaly Committee set up by FBR. All endorsed our contention for the reduction of WHT rates to FBR. Unfortunately, recommendations of these august bodies didn't find any positive response from FBR for unknown reasons. We believe that reducing the withholding tax rate of rental of Machinery is essential for the survival and growth of the Modaraba business / Rental business to sustain.

Mark up rates are continuously rising due to higher inflation and SBP is continuously revising the rates upwardly. The Mark up rates will significantly affect the profitability of the Modaraba as we see our financial charges to rise in coming years due to induction of Capital Equipment. In addition, the devaluation of Pak Rupee is a major challenge that will continuously increase the cost of parts and consumables and induction of Capital Assets. To pass on this increase in costs to the customers, in these extremely difficult times facing the economy, will be a major challenge of the business.

The strength of Caterpillar brand name and our strategy of continuous investment in prior years on new technologies, new products, new markets and new segments perfectly position us as the lowest Capital Cost Rental set up in the country for all business segments. This gives us a huge competitive edge in terms of meeting the price challenges of the market and offering effective prices to our customers in this challenging business environment. We will have to cautiously review the situation regularly and wait and see the direction of the economy set by the Government before finalizing our Investment Plans. The Modaraba and its team of people from Managers to technicians to Drivers/Operators are all geared to their optimum potential of a COMPLETE RENTAL SOLUTION PROVIDER for all sorts of EQUIPMENTS TO ITS CUSTOMERS from POWER TO LOGISTICS.

Despite the challenges facing the country, we feel that our country is blessed with resources, all the way from Karakoram Mountains to the hilly areas of Baluchistan.

We are a country rich in natural resources, have vast agricultural resource able to grow Cotton, Rice, Wheat, Maize, Potato, Fruits and Vegetables. CPEC is the game changer for the economy of the country and accordingly offers significant business opportunities to us also and we are well positioned to take that advantage. With over 230 Million population, we see our country as big market for all sorts of investment, whether industrial investment for rising Power Generation demand, investment in the logistics sector by partnering with leading FMCG brands or movement of cargo on CPEC front or investment in earth moving equipment and machine segment for dam/ infrastructure development projects.

The Management is positive of the rental industry potential, CPEC development and tremendous opportunities generated from the various strategic projects initiated by the Government especially DIAMER BHASHA DAM / DASU DAM and now Rekodik Project, but will also remain cautious, prudent and selective for its investment on the Rental Power segment. We always strive to keep special emphasis on customer satisfaction, also ensuring in the process that we always follow the Islamic Shariah principles in all our business transactions.

We acknowledge our commitment to the country and our customers and shall continue to work with them in all sectors of the economy to meet their Rental products demands. Wherever we see window of opportunity, we must not let these opportunities lapse and continue to make new investments in all sorts of Rental products by offering Islamic Ijarah Rental products and work with our customers for their rental needs.

OUR COMMITMENT TO REGULATOR AND CERTIFICATE HOLDERS

As a responsible corporate entity, we shall continue to conduct our business in a transparent way, working closely with the regulator to ensure compliance in all discipline of our business including complete Shari'ah compliance.

We feel that we must fulfill our promise to our Certificate holders by:

- a) complying with Islamic Shari'ah principles in all our business areas;
- b) generate fair returns on their investment through cash dividends and offering of Bonus Certificates; and
- c) develop long term growth and sustainability plans of the Modaraba, keeping in view different segments of its Rental Asset portfolio to ensure optimum mix of its asset base. Rental business is both Capital and Labor intensive as we not only maintain the equipment but continuously operate and maintain them at customer sites. This not only requires continuous review of our asset portfolio on an ongoing basis to ensure optimum utilization of Capital but continuous improvement and review of operational controls to maintain asset health and provide quality service to our customers.

GOVERNANCE FRAMEWORK

Our governance framework is designed to ensure that the Modaraba lives up to its core values and principles, institutionalizing excellence in everything we do. Driven

by the highest governance standards of integrity, transparency and zeal to protect stakeholders' values, Modaraba has aligned its governance framework to the industry's best practices. The board of directors and senior management place significant emphasis on internal controls, which trickles down to each and every employee of the Modaraba.



The Board of Directors is committed to open, ethical, knowledgeable and comprehensive management and to develop and implement good Corporate Governance as means of achieving maximum success and effectiveness. In short, good Corporate Governance is a tool for enhancing the value of the Modaraba and its sustainable growth. The work of developing good Corporate Governance is ongoing, and aims to incorporate standards universally practiced.

CONTROL ACTIVITIES

The Modaraba has determined a number of control activities that accord with the nature of its business operations and assigned responsibilities in such a way that mutual supervision is in effect.

REVIEW

The Board meets at-least once each quarter to consider Modarabas financial performance, financial and operating budgets and forecasts, business growth and development plans, capital expenditure proposals and other key performance indicators. Post completion reviews are performed on all material investment expenditures.

AUDIT

The Head of Internal Audit functionally reports to the Board of Audit Committee. The Internal Audit function carries out reviews of the financial, operational and compliance controls and report's findings to the Board of Audit Committee, Chief Executive and the concerned department heads. The Office of Internal Audit provides assurance to the Audit Committee concerning the adequacy of disclosure, transparency of data, internal controls, and appropriate risk management practices. The emphasis is on preventive, creative investigation and auditing that conforms to international standards and good Corporate Governance. The Board of Audit Committee receives reports on the system of internal controls from internal and external auditors and reviews the process for monitoring the effectiveness of controls. The audit department also remains in close contact with

Shari'ah Advisor and seeks guidance on compliance to Shari'ah principles in all areas of its business activities.

WHISTLE BLOWER MECHANISM

The Board has developed the Whistle Blower Mechanism in line with the requirements of the Code of Corporate Governance. There may sometimes be circumstances in which people feel uncomfortable raising issues directly with their managers. Hence we plan to provide a confidential "whistle blowing" mechanism throughout the Modaraba which the employees will be able to use. The policy encourages open discussion of these issues and no one will be disadvantaged as a result of informing in good faith any concerns about compliance with the Modaraba's Code of Conduct. Under the policy, all disclosures are kept confidential and the identity of the individual making the allegation may be kept confidential so long as it does not hinder or aggravate any investigation. However, the investigation process may reveal the source of the information and the individual making the disclosure may need to provide a statement as part of the evidence required. If an employee needs to make a disclosure he/she should first raise the issue to his/her Department Head (unless he/she is the potential transgressor), in which case he/she can write in the following format for the purpose of recording and monitoring.



- The background and history of the concern (with relevant dates)
- The reason why they are particularly concerned about the situation.

ALTERNATIVE COMPLAINT METHODS:

INDEPENDENT HOTLINE:

An independent compliance hotline, operated by an external agency gives employees the opportunity to report potential improprieties in financial reporting or other matters. The hotline is available to all and callers can remain anonymous if they wish.

CORPORATE SOCIAL RESPONSIBILITY:

The Modaraba views corporate social responsibility as a business approach that contributes towards sustainable development through uplifting economic, social and environmental benefits for the community. Being a good corporate citizen is part of the Modaraba's core values.

The Management and those charged with governance are well aware of their responsibility of being a corporate citizen and are very much committed in this regard. The Modaraba is committed to ensure that good practices are maintained in Health, Safety and Environment within its own operations. In addition, supporting causes that focus on social upliftment remain a focus area for the Company through which it supports various communities in Pakistan.



Our areas of interests in this connection include but are not limited to environment protection education, health and social development of the society. Key initiatives supported by the Company included:

SCHOLARSHIPS

We offer merit scholarships to our employees for professional qualifications to appreciate their talent in the form of monetary contributions that vary with the level of education.

SPORTS ACTIVITIES

"Health is the thing that makes you feel that now is the best time of the year" – we at Allied believe that mental exertion must be balanced by physical activity; resultant promotion of sports has always played a vital role in our CSR initiatives. To promote sports activities, we have an in-house sports complex and gymnasium where employees are encouraged to participate in sports and healthy activities on routine basis.

OPPORTUNITY FOR YOUNG TALENT

As a responsible corporate citizen, Modaraba continued to provide management-traineeships and internship experience to students from various academic institutions. This year, the number of interns increased from the previous years to provide opportunity to young talent to help them learn in a professional environment.

DIRECTORS

THE STRUCTURE OF THE BOARD OF DIRECTORS

The Board of Directors consists of qualified individuals possessing knowledge, experience, and skill in various professions, with the leadership and vision to act in the best interests of the Modaraba and its certificate holders. The Board of Directors has a major role to play in deciding corporate policy, and with senior executives making plans for the short term and long-term operations of the Modaraba.

The Board of Directors presently comprises 07 individuals, composition of which is as follows:

Category	Name
Independent Female Director	Mrs. Saira Nasir
Executive Director [CEO]	Mr. Murtaza Ahmed Ali
Non-Executive Directors	Syed Feisal Ali [Chairman] Mr. Khwaja Ahad Rahman Mr. Ali Akbar MR. Abdul Rahim Suriya Mr. Hassan Shehzad Abidi

Non executive directors are qualified individuals and possess required expertise, knowledge and the skill required by the business and specified by SECP to effectively provide guidance to the senior management and control the affairs of the Modaraba. The Chairman of the Board is other than the CEO. Meetings of the Board of Directors are held regularly to review the performance and results of business operations and their management and to make decisions concerning the Modaraba's business activities. All the Directors have completed their mandatory certification process as required under Code of Corporate Governance - CCG. Meetings also take place to consider business trends and operational plans of the Modaraba. Various planning scenarios are deliberated on, as well as the Modaraba's annual business plan.

Mrs. Saira Nasir, as an Independent Female Director on the Board is a certified director and fellow member of Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Corporate Secretaries of Pakistan. She has over 30 years of experience in Accounting, Auditing, Finance and Corporate Governance.

Mr. Abdul Rahim Suriya, has lost his status as an independent director as per the Code of Corporate Governance, as he is on the board since last three consecutive terms and is now considered as a Non-Executive Director. As the Modaraba and its Management company going through the Reconstruction Scheme, so the management decided not to change the present composition and directors on the board and its committees, until the transition is completed and required approval from SHC is received. He is a seasoned professional and gives an independent view to the business and control processes based on his expertise and knowledge, especially with reference to Governance policies and sustainability standards.

Four Board meetings took place during the year. The remuneration to attend the Board meetings was paid by the Modaraba management Company. Attendance of each of the director was as follows.

Name Of Director	No. Of Meetings Attended
Syed Feisal Ali	4
Mr. Murtaza Ahmed Ali	4
Mr. Khwaja Ahad Rahman	3
Mr. Ali Akbar	4
Mr. Abdul Rahim Suriya	4
Mr. Hassan Shahzad Abidi	4
Mrs. Saira Nasir	4

DEVELOPMENT OF DIRECTORS

It is the management policy to encourage directors, executives, and personnel concerned with corporate governance to take part in seminars and courses that could aim them in the performance of their duties and enhance their effectiveness. As of today, all the Directors are qualified individual under the CCG directive. In addition, Mr. Mohammad Saad, CFO also completed Directors Training Program from ICAP in August 2023.

COMPLIANCE WITH CORPORATE GOVERNANCE

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

THE BOARD OF DIRECTORS IS PLEASED TO REPORT THAT:

- The financial statements prepared by the management of the Modaraba, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Modaraba have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable to Modarabas in Pakistan, have been followed in preparation of financial statements.
- The system of internal control, which is in place, is being continuously reviewed by internal audit and other such procedures. The process of review will continue and any weakness in controls will be removed.
- There are no significant doubts upon the Modaraba's ability to continue as a going concern, except the matter discussed in emphasis of matter paragraph in auditor's report regarding restructuring of Modaraba whereby the existing business of the Modaraba along with all assets and liabilities (including contingent liabilities) will be transferred on a going concern basis to two separate legal entities.
- Summary of key operating and financial data for the last six years is included in this annual report.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2023 except for those disclosed in the financial statements.
- The trading in certificates carried out by the Directors, CEO, CFO, Company Secretary, their spouses and minor children is reported as annexure to this report.
- The value of investments in Employee's Provident Funds based on the financial statements of the fund as at December 31, 2022 was Rs. 323,694,059 (2021: Rs. 271,372,612)

- The pattern of holding of certificates by the certificate-holders is included in this annual report. Post year end June 30, 2023, the sponsor company Allied Engineering & Services (Private) Limited purchased 11,265,572 certificates in total, the said transactions were duly reported to PSX.
- The Board has formed a Human Resource Committee in compliance with the requirements of the Code of Corporate Governance. The Committee makes recommendations to the Board for maintaining.
 - (i) a sound organizational plan of the Company,
 - (ii) an effective employee development program and;
 - (iii) sound compensation and benefit plans, policies and practices designed to attract and retain high caliber personnel for effective management of business with a view to achieve set objectives.

Following Directors are the Members of the Human Resource Committee:

1. Mr. Abdul Rahim Suriya - Chairman

2. Syed Feisal Ali

3. Mr. Murtaza Ahmed Ali

The Human Resource Committee met once during the year with a participation of 100% of its members.

- The Board has formed an Audit Committee in compliance with the requirements of the Code of Corporate Governance. The Committee comprises of three members. The head of the Audit Committee is an Independent Director. The Committee reviews the periodic financial statements and examines the adequacy of financial policies and practices to ensure that an efficient and strong system of internal control is in place. The Committee also reviews the audit reports issued by the Internal Audit Department. The Audit Committee is also responsible for recommending to the Board of Directors the appointment of external auditors.



Murtaza Ahmed Ali
Chief Executive

Date: September 13, 2023

- The Board Audit Committee met four times during the year. Attendance of each of the member was as follows:

Name Of Director	No. Of Meetings Attended
Mr. Abdul Rahim Suriya	4
Syed Feisal Ali	4
Mr. Ali Akbar	4

AUDITORS

On the recommendation of the Audit Committee, the Board has approved the appointment of the Messrs. A.F. Ferguson & Co. Chartered Accountants as auditors for the year ending June 30, 2024 at a remuneration to be mutually agreed, subject to the approval of Registrar of Modaraba Companies & Modarabas.

SHARI'AH AUDIT REPORT

The Modaraba continues to seek guidance from its Shari'ah Advisor, Mufti Irshad Ahmed Aijaz as and when required to ensure full compliance to Shari'ah Audit mechanism developed in consultation with Registrar Modarabas. The internal audit department has also been trained to handle the day to day affairs of the Modaraba ensuring complete adherence to Shari'ah policies and principles. The Shari'ah Audit Report issued for the affairs of the Modaraba for the year ended June 30, 2023 is attached in the Annual Financial Statements.

ACKNOWLEDGEMENT

Our people are the key driver behind the sustained growth of the Modaraba. The Directors acknowledge the contribution and efforts of each and every employee of the Modaraba, who by meeting customer expectation by providing quality service ensured continued business for the Modaraba.

We would also like to express our sincere gratitude to Registrar Modarabas, officials at SECP and SBP Religious Board, financial institutions and our business partners for their continued support and guidance; and our customers for their continued patronage and business. We are also grateful to our certificate holders for their support and confidence in our management.



Ali Akbar
Director

Certificate Holding Pattern

As at June 30, 2023

Categories of Certificate Holders	Number	Certificates Held	Percentage
Associated Companies			
Allied Engineering & Services (Private) Limited	1	163,196,645	74%
Allied Engineering Management Company (Private) Limited	1	43,999,997	20%
		207,196,642	94%
Directors, CEO & Their Spouses & Minor Children			
Khwaja Ahad Rahman	1	5,973,845	2.7%
Murtaza Ahmed Ali	0	-	0.0%
Syed Feisal Ali	0	-	0.0%
Ali Akbar	0	-	0.0%
Saira Nasir	0	-	0.0%
Hassan Shahzad Abidi	0	-	0.0%
Abdul Rahim Suriya	0	-	0.0%
		5,973,845	2.7%
Associated Person			
Khwaja Abdul Majid Rahman	1	5,973,845	2.7%
Executives			
	1	254	0.0%
Employee Provident Fund			
	1	2,192	0.0%
General Public			
	200	853,222	0.4%
	206	220,000,000	100%

Information on Trading in Certificates

Name	Designation	Purchase	Bonus	Sale
		Number of Certificates		
Mr. Murtaza Ahmed Ali	Chief Executive Officer	-	-	510,629
Syed Feisal Ali	Chairman	-	-	2,256,650
Mr. Ali Akbar	Non-Executive Director	-	-	82,544
Mr. Hassan Shahzad Abidi	Non-Executive Director	-	-	7,324
Mr. Khwaja Ahad Rahman	Non-Executive Director	-	-	-
Mr. Abdul Raham Suriya	Non-Executive Director	-	-	46,256
Mrs. Saira Nasir	Independent Director	-	-	-
Mr. Muhammad Saad	Chief Financial Officer	-	-	-
Mr. Muzzammil Tariq	Company Secretary	-	-	-
Mr. Abid Altaf	Head of Internal Audit	-	-	10,000

Combined Pattern of CDC & Physical Shareholdings

As at June 30, 2023

Categories of Share Holders	Number of Share Holders	Shares Held	Percentage
Individuals	202	12,800,952	5.82%
Investment Companies	-	-	-
Insurance Companies	-	-	-
Joint Stock Companies	-	-	-
Financial Institutions	-	-	-
Modaraba Companies	-	-	-
Foreign Companies	-	-	-
Co-Operative Societies	-	-	-
Associates	2	207,196,642	94.18%
Others	2	2,406	0.00%
Totals	206	220,000,000	100.00%

Number Of Share Holders	Share Holding			Total Shares Held
95	1	-	100	913
19	101	-	500	6,498
20	501	-	1,000	15,411
39	1,001	-	5,000	89,317
10	5,001	-	10,000	66,901
5	10,001	-	15,000	55,264
2	15,001	-	20,000	38,087
3	25,001	-	30,000	79,954
1	30,001	-	35,000	35,000
2	40,001	-	45,000	88,264
1	45,001	-	50,000	46,105
1	50,001	-	55,000	52,119
1	55,001	-	60,000	60,000
1	60,001	-	65,000	64,417
1	65,001	-	70,000	65,659
1	90,001	-	95,000	91,759
2	5,970,001	-	5,975,000	11,947,690
1	43,995,001	-	44,000,000	43,999,997
1	163,000,001	-	163,200,000	163,196,645
206				220,000,000

Credit Rating





Human Resources & Remuneration Committee: Terms of Reference

I. PURPOSE

The purpose of the Human Resources Committee is to assist the Board in fulfilling its obligations relating to Human Resources Policies and related matters and to establish a plan of continuity and development of Human Resources for Allied Rental Modaraba.

II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of the following Three members
 - Abdul Rahim Suriya - Chairman
 - Syed Feisal Ali - Member
 - Murtaza Ahmed Ali - Member
- B. The Committee shall meet at least once each financial year.
- C. The quorum of the committee is THREE members
- D. From time to time, as deemed required by the Committee, the Committee shall obtain independent advice regarding Human Resource and Compensation issues.
- E. The Head of Human Resources/ Company Secretary shall serve as the Secretary of the Committee.

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties delegated by the Board of Directors of the Modaraba. The HR & R Committee will review the following and recommend to the Board for their approval:

- A. Recommending to the board the selection, evaluation and succession planning across the company.
- B. Recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors) and members of senior management.
- C. The objectives, strategies and overall business plans of Human Resources and ensure that they are within the framework of existing laws and regulations.
- D. The Modaraba's compensation and benefits philosophy, strategy and guidelines and review their compliance with laws and any applicable guidelines established by the Labor Laws of Pakistan, competitiveness with the market and frequency of review accounts for annual country inflation rate and changes in trends in the country.
- E. Undertake annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging an external independent consultant
- F. The Modaraba's strategy, plan and proposal related to annual increments, salary adjustments and performance and profit bonuses of the Modaraba's executives.
- G. The Modaraba's strategy related to Human Capital Management and Planning, including:
 - i. Recruitment and Selection strategy is aligned to Business objectives and philosophy.
 - ii. Training and Developmental needs of Human Resources are identified, adequately met and aligned to business objectives; and
 - iii. Performance Evaluation and Management System is objective, transparent and unbiased.
- H. Review and Recommend the Human Resources Policies and Procedures of the Modaraba to the Board and ensure that they are updated from time to time to keep abreast with market practices.
- I. recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- J. consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- K. where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.
- L. Review and recommend Core Values to be adopted by the Modaraba.
- M. Review and recommend changes to the Committee's terms of reference, as and when required.

IV. ACCOUNTABILITY

The Committee shall report its discussions to the Board by oral or written report at the Board meeting.

IT Steering Committee: Terms of Reference

I. Mandate

- To provide strategic advice, guidance and direction to the Board of Directors on technology initiatives.
- To develop Board briefings and input on the development of:
 - policy positions which address technology, communications and information management related initiatives;
 - proposed federal and/or provincial legislation that may have broad technology implications, and
 - changes to existing legislation which may have an impact on the Modaraba's ability to perform its duties.
- To explore and make recommendations regarding technology tools and resources that would benefit an employees routing practices.
- To undertake appropriate surveys, dialogues and outreach programs to ensure the committee understands and is representing the Modaraba's concerns

II. Duties and Responsibilities

- To ensure management have the opportunity to provide and demonstrate leadership involving technology initiatives that impact their practices.
- To provide advice and guidance on proposed technology initiatives in which employees has been asked to participate and that affect management and the way in which they provide services.
- To develop and recommend policies, guidelines and standards appropriate to technology initiatives which impact on our employe's ability to practice
- To consult and seek input from the management, other stakeholders and interested parties on matters before the Committee, if required
- To develop a relationship, which provides an opportunity for the IT Steering Committee (ITSC) to influence employees participation and provide leadership on Information Management and Technology initiatives that impact on the Modaraba.
- To recommend priorities for new technology initiatives that benefit the Modaraba.
- To ensure that IT initiatives embody the overall mission and objectives of Modaraba.
- To evaluate the sustainability and governance implications of the technology initiatives we participate in.
- To ensure that the IT Strategic Plan is aligned with the Modaraba Business Plan.
- To submit an annual report on the committee's activities, as part of the Reports to Board of Directors.
- To submit a monthly ITSC update to the Board of Directors on issues, priorities, policy implications, recommendations, activities and actions.

III. Sub-Committees/Working Groups

Subcommittees and working groups will be established as the need arises and at the direction of the committee chair. They will be tasked with definitive objectives related to a specific strategic issue.

Subcommittees and working groups will enable the ITSC to seek out the appropriate subject matter expertise from within the Modaraba to assist in the research, analysis and development of policy, guidelines and recommendations to be brought to the ITSC and subsequently to the Board.

A subcommittee or working group will be chaired by a sitting member of the ITSC.

IV. Committee Membership

The IT Steering Committee is comprised of six members including at least one Director. All Committee members will be appointed by the Board of Directors.

The ITSC will strive to be representative of the Modaraba as a whole. Geographic and gender representation will be taken into consideration, as well as varying degrees of computer competencies.

Committee members may be recommended by sitting committee members, the Board of Directors or recruited from lists maintained in the Modaraba data base of members with an expressed interest in information management and technology.

In the event the committee is unable to fill one of the six seats, the committee may invite a member whose term has expired to sit for a one-year extension.

V. Quorum and Voting

A minimum of one half of the voting committee members will comprise a quorum. A motion is passed by a majority vote of the members in attendance. The committee chair is a voting member and will vote on matters requiring a decision. The chair will cast the deciding vote in the event of a tie.

VI. Committee Meeting Schedule & Support

Members may be called upon to participate in telephone and/or online conferences if a matter of urgency occurs between regularly scheduled meetings. Support for rural members will be provided through the use of appropriate technologies. The Committee shall meet atleast once every quarter of the financial year

VII. Accountability

The ITSC is advisory to and accountable to the Board of Directors. Any formal policy or position will require Board approval. Minutes of committee meetings shall be maintained and made available to the Board upon request.

Audit Committee: Terms of Reference

Purpose:

The committee is responsible for assisting the Board of Directors in discharging its responsibilities primarily in terms of:

- evaluating and reporting financial and non-financial information to shareholders;
- reviewing the system of internal controls and risk management; and
- reviewing the business plan and determining that it reconciles with the Modaraba's vision, mission, corporate strategy & objectives. Additionally, the committee has the authority to obtain any information it requires from the management and to meet directly with external auditors.

Meetings and Attendance:

The Audit Committee comprises of three members, all of whom have sufficient financial management expertise. The Head of Internal Audit is the Secretary of the Committee. The Committee held four meetings during the year and held separate meetings with the Chief Financial Officer, Head of Internal Audit and members of Internal Audit Function and External Auditors represented by the Engagement Partner as required by the Code of Corporate Governance. The Audit Committee recommends to the Board, the appointment of external auditors, their removal, audit fees and the provision by the external auditors of any service to the Modaraba in addition to audit of its financial statements. The Board gives due consideration to the recommendations of the Audit Committee in all these matters.

Responsibilities:

The Board of Directors has determined the terms of reference of the Audit Committee and provides adequate resources and authority to enable the Audit Committee to carry out its responsibilities effectively. Among other responsibilities, the terms of reference of the Audit Committee includes the following:

- A. determination of appropriate measures to safeguard the Modaraba's assets;
- B. review of quarterly, half-yearly and annual financial statements of the Modaraba, prior to their approval by the Board of Directors.
- C. review of preliminary announcements of results prior to publication;
- D. facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight;
- E. review of management letter issued by external auditors and management's response thereto;
- F. ensuring coordination between the internal and external auditors of the Modaraba;
- G. review arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.
- H. review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Modaraba;
- I. consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- J. ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- K. review of the Modaraba's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- L. instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body; and
- M. determination of compliance with relevant statutory requirements.
- N. monitoring compliance with these regulations and identification of significant violations thereof;
- O. recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- P. consideration of any other issue or matter as may be assigned by the board of directors.

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

For the Year Ended June 30, 2023

This statement is being presented to comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) for establishing a framework of good governance, whereby a listed Modaraba is managed in compliance with the best practices of corporate governance.

Allied Engineering Management Company (Private) Limited (the Modaraba Management Company) is not listed. However, Allied Rental Modaraba is listed at Pakistan Stock Exchange. The Board of Directors (the Board) of the Modaraba Management Company is responsible for managing the affairs of the Modaraba.

Allied Rental Modaraba has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

1. The total number of directors are 7 as per the following:
 - a. Male: 6
 - b. Female: 1
2. The composition of Board is as follows:

Category	Names
Independent Directors*	Mrs. Saira Nasir (Female Director)
Executive Director	Mr. Murtaza Ahmed Ali
Non-Executive Directors	Mr. Khwaja Ahad Rahman
	Mr. Abdul Rahim Suriya*
	Syed Feisal Ali
	Mr. Ali Akbar
	Mr. Hassan Shahzad Abidi

*As per regulation 6, it is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors. As of June 30, 2022, the board had two independent members i.e., Ms. Saira Nasir and Mr. Abdul Rahim Suriya.

However, during the current year, on October 27, 2022, Mr. Abdul Rahim Suriya completed his third term as an independent director and became ineligible to be re-elected as an independent director as per section 166 of the Companies Act, 2017. Election of directors was held, resulting in Ms. Saira Nasir's re-election as an independent director, while Mr. Abdul Rahim Suriya was re-elected as a non-executive director. This change reduced the number of independent members on the board to just one.

The change was driven by the board's intention to restructure the Modaraba's existing legal framework under a scheme of arrangement, which is currently awaiting approval from the Honorable Sindh High Court

(SHC). Upon completion of the proposed scheme of arrangement, the entire existing business of the Modaraba would be transferred to two separate legal entities, the license of the Modaraba Management Company would be surrendered to the Registrar Modarabas and the Securities and Exchange Commission of Pakistan, and the Modaraba Management Company would be converted into an ordinary Private Limited Company, and thus the provisions outlined in the Listed Companies (Code of Corporate Governance) Regulations, 2019 would cease to be applicable. The Modaraba Management Company expects to get approval of the SHC before June 30, 2024.

3. The directors have confirmed that none of them is serving as director in more than seven listed companies, including the Modaraba Management Company.
4. The Modaraba has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Modaraba along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Modaraba. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board as empowered by the relevant provisions of the Companies Act, 2017 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, recording and circulating minutes of meeting of board.
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. All the directors have duly completed the Directors' Training Course and meet the training requirements specified under the Regulations.
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. However, no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit was made during the year.
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: -

a) Audit Committee

Name of members

1. Abdul Rahim Suriya (Chairman)*
[Non-executive Director]
2. Syed Feisal Ali
[Non-executive Director]
3. Ali Akbar
[Non-executive Director]

b) HR and Remuneration Committee

Name of members

1. Abdul Rahim Suriya (Chairman)*
[Non-executive Director]
2. Syed Feisal Ali
[Non-executive Director]
3. Murtaza Ahmed Ali
[Executive Director]

*As per regulation 27, it is mandatory that the audit committee shall have at least three members comprising of non-executive directors and at least one independent director and the chairman of the audit committee shall be an independent director, who shall not be the chairman of the board. However, as of June 30, 2023, there is no independent director in the audit committee due to the reasons stated in paragraph 2 above.

**As per regulation 28, there shall be a human resource and remuneration committee of at least three members comprising a majority of non-executive directors of whom at least one member shall be an independent director. However, as of June 30, 2023, there is no independent director in the human resource and remuneration committee due to the reasons stated in paragraph 2 above.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committee were as per following:

- a. Audit Committee – 4 (Four) meetings of the committee, on quarterly basis, were held during the year.
- b. HR and Remuneration Committee – 1 (One) meeting of the committee was held during the year.

15. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Modaraba.

16. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the 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;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with, except for as explained in paragraph 2 and 12 of the statement.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been given in paragraph 12 of the statement.

On behalf of the Board



Murtaza Ahmed Ali
Chief Executive Officer



Syed Feisal Ali
Chairman

September 13, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT



A.F.FERGUSON & Co.

To the Certificate Holders of Allied Rental Modaraba 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 Allied Engineering Management Company (Private) Limited, the Management Company of Allied Rental Modaraba (the Modaraba) for the year ended June 30, 2023, in accordance with the requirements of regulation 36 of the Regulations.

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

The Regulations require the 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 Management Company's compliance, for and on behalf of the Modaraba, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2023.

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:

	Reference	Description
(i)	Paragraph 2	It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors. However, as of June 30, 2023, there is only one independent director on the board.
(ii)	Paragraph 12	It is mandatory that: (i) the audit committee shall have at least three members comprising of non-executive directors and at least one independent director; (ii) chairman of the committee shall be an independent director, who shall not be the chairman of the Board. However, as of June 30, 2023, there is no independent director in the audit committee and the chairman of the audit committee is a non-executive director.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: 27 September 2023
UDIN: CR202310611tKqEmN4M9

*A.F.FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

■ KARACHI ■ LAHORE ■ ISLAMABAD

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS



A·F·FERGUSON & Co.

We have audited the annexed statement of financial position of Allied Rental Modaraba (Modaraba) as at June 30, 2023 and the related statement of profit or loss and statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of accounts have been kept by the Modaraba Management Company in respect of Allied Rental Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- (b) in our opinion:
 - i) the statement of financial position and statement of profit or loss and statement of comprehensive income 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 accounts and are further in agreement with accounting policies consistently applied in the financial statements with which we concur;
 - 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 the explanations given to us, the statement of financial position, statement of profit or loss and statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2023 and of the profit and comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



Emphasis of matter

We draw attention to note 1.3 to the financial statements which describes the fact that a plan to restructure the current legal structure of the Modaraba has been approved by the Board of Directors of the Modaraba Management Company and the Securities and Exchange Commission of Pakistan (SECP) registrar modarabas whereby the existing business of the Modaraba along with all assets and liabilities (including contingent liabilities) will be transferred on a going concern basis to two separate legal entities. There is no impact on the carrying values of assets and liabilities appearing in the books of the Modaraba as the management intends to carry out transfer of assets and liabilities at the carrying values as at the date of transfer subject to the approvals of the certificate holders, the High Court of Sindh and other relevant authorities.

Our opinion is not modified in respect of this matter.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 27, 2023
Engagement Partner: **Junaid Mesia**
UDIN: AR202310611VZJKURNFx



Statement of Financial Position

As at 30 June 2023

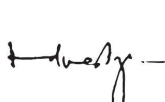
	Note	2023	2022
(Rupees)			
ASSETS			
Non-Current Assets			
Ijarah assets	4	6,189,453,588	5,946,661,687
Fixed assets - in own use	5	204,377,216	190,197,116
Intangible asset	6	114,097	570,486
		6,393,944,901	6,137,429,289
Current Assets			
Investment	7	31,934,583	-
Stores and spares	8	357,635,725	281,311,632
Ijarah rentals receivable	9	1,158,130,313	950,212,604
Operation and maintenance income receivable	10	32,353,136	21,574,924
Advances, deposits, prepayments and other receivable	11	457,367,736	625,788,324
Security deposits	12	231,009	50,000
Cash and bank balances	13	152,833,955	290,423,919
		2,190,486,457	2,169,361,403
Total assets		8,584,431,358	8,306,790,692
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized certificate capital 250,000,000 (June 30, 2022: 250,000,000) modaraba certificates of Rs.10 each	14.1	2,500,000,000	2,500,000,000
Issued, subscribed and paid-up certificate capital 220,000,000 (June 30, 2022: 220,000,000) modaraba certificates of Rs.10 each	14.2	2,200,000,000	2,200,000,000
Premium on issue of certificates		1,255,712,500	1,255,712,500
Statutory reserve	15	1,949,054,073	1,949,054,073
Accumulated losses		(166,591,907)	(468,339,791)
		5,238,174,666	4,936,426,782
LIABILITIES			
Non-current liabilities			
Deferred liability for staff gratuity	16	161,275,168	132,755,367
Compensated absences	17	23,848,987	27,766,018
Liability against right-of-use assets	18	12,297,944	30,738,716
Diminishing musharaka financing payable - secured	19	454,760,288	545,781,004
Deferred tax liability	21	1,083,539,360	866,017,146
Other long term liabilities	22	29,403,987	23,246,536
		1,765,125,734	1,626,304,787
Current liabilities			
Current maturity of liability against right-of-use assets	18	18,440,764	16,769,988
Current maturity of diminishing musharaka financing payable - secured	19	384,835,317	410,600,730
Current portion of long term borrowings and deferred grants	20	-	101,747,694
Current portion of other long term liabilities	22	9,829,551	11,504,551
Payable to the modaraba management company	23	10,341,384	10,519,525
Creditors, accrued and other liabilities	24	1,058,589,389	1,126,000,163
Contract liabilities (advance from customers)		98,296,962	65,670,295
Unclaimed dividend		797,591	1,246,177
		1,581,130,958	1,744,059,123
Total liabilities		3,346,256,692	3,370,363,910
Total equity and Liabilities		8,584,431,358	8,306,790,692
CONTINGENCIES AND COMMITMENTS			
	25		

The annexed notes from 1 to 46 form an integral part of these financial statements.

**For Allied Engineering Management Company (Private) Limited
(Modaraba Management Company)**



Muhammad Saad
Chief Financial Officer



Murtaza Ahmed Ali
Chief Executive Officer



Abdul Rahim Suriya
Director



Syed Feisal Ali
Director

Statement of Profit and Loss Account

For the year ended 30 June 2023

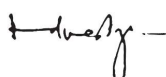
	Note	2023	2022
		(Rupees)	
Ijarah rentals - net	26	4,912,949,119	4,323,853,295
Operation and maintenance income - net	27	195,643,319	151,113,838
		5,108,592,438	4,474,967,133
Operation, maintenance and Ijarah related expenses	28	(3,632,807,513)	(3,234,510,148)
Gross profit		1,475,784,925	1,240,456,985
Administrative and distribution expenses	29	(349,773,973)	(308,477,149)
Provision against Ijarah rentals receivable and operation and maintenance income receivable - net	9.2, 10.1 & 11.6	(32,985,452)	(131,700,075)
Finance cost	30	(181,209,306)	(130,541,729)
Other income - net	31	81,780,463	80,575,579
		(482,188,268)	(490,143,374)
		993,596,657	750,313,611
Modaraba Management Company's remuneration	23.1	(10,000,000)	(10,000,000)
Provincial worker's welfare fund		(14,250,076)	(11,807,978)
Profit before taxation		969,346,581	728,505,633
Taxation	32	(667,962,846)	(343,660,488)
Profit after taxation		301,383,735	384,845,145
		(Rupees)	
Earnings per certificate - basic and diluted	33	1.37	1.75

The annexed notes from 1 to 46 form an integral part of these financial statements.

**For Allied Engineering Management Company (Private) Limited
(Modaraba Management Company)**



Muhammad Saad
Chief Financial Officer



Murtaza Ahmed Ali
Chief Executive Officer



Abdul Rahim Suriya
Director



Syed Feisal Ali
Director

Statement of Comprehensive Income

For the year ended 30 June 2023

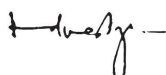
	Note	2023	2022
		(Rupees)	
Profit after taxation		301,383,735	384,845,145
Items that will not be reclassified to the statement of profit or loss			
Gain / (loss) on remeasurement of the defined benefit plan obligation - net of deferred tax	16.3	364,149	(281,368)
Total comprehensive income		<u>301,747,884</u>	<u>384,563,777</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.

**For Allied Engineering Management Company (Private) Limited
(Modaraba Management Company)**



Muhammad Saad
Chief Financial Officer



Murtaza Ahmed Ali
Chief Executive Officer



Abdul Rahim Suriya
Director



Syed Feisal Ali
Director

Cash Flow Statement

For the year ended 30 June 2023

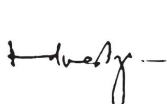
	Note	2023	2022
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxation		969,346,581	728,505,633
Adjustments for:			
Depreciation for ijarah assets and fixed assets in own use	28 & 29	406,766,964	377,511,748
Amortisation	29	456,389	456,389
Impairment of Ijarah Assets	28	-	115,779,513
Provincial worker's welfare fund		14,250,076	11,807,978
Provision against ijarah rentals receivable, operation and maintenance income receivable and other receivables		32,985,452	131,700,075
Write off against ijarah rentals receivable		40,352,750	-
Provision for deferred liabilities - gratuity	16.3	30,333,434	23,961,782
Finance cost	30	181,209,306	130,541,729
Amortisation of deferred government grant	31	(1,934,864)	(10,730,392)
Profit on deposit accounts with bank	31	(7,441,063)	(6,721,242)
Provision against slow moving spares	28	25,418,444	2,449,103
(Reversal) / provision against long term employee benefits		(3,917,031)	3,713,707
Loss on disposal of Ijarah and fixed assets	31	(16,141,477)	10,432,269
		702,338,380	790,902,659
		1,671,684,961	1,519,408,292
(Increase) / decrease in assets			
Spare parts		(101,742,537)	(120,621,043)
Ijarah rentals receivable		(280,382,143)	89,036,305
Investment in Mutual Fund		(31,934,583)	-
Operation and maintenance income receivable		(11,651,981)	3,563,689
Advances, deposits, prepayments and other receivable		67,020,391	69,507,796
Security Deposits		(181,009)	-
		(358,871,862)	41,486,747
Increase / (decrease) in operating liabilities			
Payable to the Modaraba Management Company		(178,141)	(268,575)
Creditors, accrued and other liabilities		(70,279,272)	412,889,977
Contract liabilities (advance from customers)		32,626,667	(2,384,224)
Security deposits		4,482,451	(23,423,976)
		(33,348,295)	386,813,202
		1,279,464,804	1,947,708,241
Gratuity paid	16.3	(1,216,668)	(687,192)
Profit on deposit accounts received		7,405,116	6,170,532
Income tax paid		(349,237,303)	(201,455,121)
Worker's Welfare Fund paid		(11,608,889)	(9,668,613)
Financial charges paid		(180,981,995)	(124,672,960)
		(535,639,739)	(330,313,354)
Net cash inflows from operating activities		743,825,065	1,617,394,887
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure of Ijarah assets and fixed assets in own use		(791,709,340)	(720,949,601)
Proceeds from disposal of Ijarah assets and fixed assets in own use		144,111,852	168,743,148
Net cash outflows on investing activities		(647,597,488)	(552,206,453)
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit distribution to the certificate holders		-	(330,000,000)
Diminishing musharaka financing availed		467,119,914	241,207,500
Repayment of lease liability against right-of-use assets		(16,769,996)	(8,610,423)
Repayment of long term borrowings and deferred grant		(99,812,830)	(152,680,978)
Repayment of diminishing musharaka financing		(583,906,043)	(641,800,474)
Unclaimed Dividend		(448,586)	-
Net cash outflows on financing activities		(233,817,541)	(891,884,375)
Net (decrease) / increase in cash and cash equivalents		(137,589,964)	173,304,059
Cash and cash equivalents at the beginning of the year	43	290,423,919	117,119,860
Cash and cash equivalents at the end of the year		152,833,955	290,423,919

The annexed notes from 1 to 46 form an integral part of these financial statements.

**For Allied Engineering Management Company (Private) Limited
(Modaraba Management Company)**



Muhammad Saad
Chief Financial Officer



Murtaza Ahmed Ali
Chief Executive Officer



Abdul Rahim Suriya
Director



Syed Feisal Ali
Director

Statement of Changes in Equity

For the year ended 30 June 2023

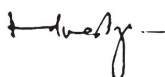
	Issued, subscribed and paid-up certificate capital	Premium on issue of certificates	Statutory reserve	Accumulated losses	Total
(Rupees)					
Balance as at June 30, 2021	2,200,000,000	1,255,712,500	1,872,085,044	(445,934,539)	4,881,863,005
Total comprehensive income for the year					
Profit after taxation for the year	-	-	-	384,845,145	384,845,145
Other comprehensive loss for the year	-	-	-	(281,368)	(281,368)
	-	-	-	384,563,777	384,563,777
Transfer to statutory reserve (at 20% of the reported profit for the year)	-	-	76,969,029	(76,969,029)	-
Transaction with owners - recorded directly in equity					
Profit distribution for the year ended June 30, 2021 @ Rs. 1.50 per certificate declared subsequent to the year end	-	-	-	(330,000,000)	(330,000,000)
Balance as at June 30, 2022	2,200,000,000	1,255,712,500	1,949,054,073	(468,339,791)	4,936,426,782
Total comprehensive income for the year					
Profit after taxation for the year	-	-	-	301,383,735	301,383,735
Other comprehensive income for the year	-	-	-	364,149	364,149
	-	-	-	301,747,884	301,747,884
Balance as at June 30, 2023	2,200,000,000	1,255,712,500	1,949,054,073	(166,591,907)	5,238,174,666

The annexed notes from 1 to 46 form an integral part of these financial statements.

**For Allied Engineering Management Company (Private) Limited
(Modaraba Management Company)**



Muhammad Saad
Chief Financial Officer



Murtaza Ahmed Ali
Chief Executive Officer



Abdul Rahim Suriya
Director



Syed Feisal Ali
Director

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Allied Rental Modaraba was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by Allied Engineering Management Company (Private) Limited (the 'Modaraba Management Company'), which is a wholly owned subsidiary of Allied Engineering and Services (Private) Limited. The Modaraba Management Company is incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is registered with the Registrar of Modaraba Companies and Modarabas under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

The Securities and Exchange Commission of Pakistan (the 'SECP'), vide its certificate No. SC/M/RW/ARM/2006-166 dated May 10, 2006, authorized Allied Engineering Management Company (Private) Limited to float Allied Rental Modaraba (the Modaraba). The Modaraba commenced its operations on January 10, 2007.

The Modaraba is a perpetual Modaraba and is primarily engaged in rental / ijarah and operation and maintenance of Caterpillar and other equipments (i.e. generators, forklifts, compactors, etc.). The registered office of the Modaraba is located at 21/3, Sector 22, Korangi Industrial Area, Karachi. The Modaraba is listed on the Pakistan Stock Exchange Limited. The Modaraba is a non-financial Modaraba as it is primarily engaged in rental / ijarah and operations and maintenance of Caterpillar and other equipments.

1.2 The VIS Credit Rating Company Limited has assigned long term rating of A+ (2022: A+) and short term rating of A-1 (2022: A-1) to the Modaraba on August 7, 2023 (2022: June 17, 2022).

1.3 Restructuring of Modaraba

Pursuant to the Finance Act, 2021, the tax exemption on Modarabas has been withdrawn, effective from July 1, 2021. Consequent to this withdrawal, the Board of Directors of the Modaraba Management Company in their meeting held on September 7, 2021 discussed and approved a plan to restructure the current legal structure of the Modaraba and transfer the entire existing business of the Modaraba, on a going concern basis, along with all its assets and liabilities at their respective carrying values, including all contingent liabilities, to two separate legal entities.

It has been proposed that the existing logistics business of the Modaraba will be transferred to a newly incorporated entity - Allied Transport & Logistics (Private) Limited (a related party), along with all its existing assets, staff and liabilities. Whereas the other or remaining business segments of the Modaraba along with their assets, staff and liabilities, including all the contingent liabilities, will be transferred to the Allied Engineering Management Company (Private) Limited (the existing Management Company of the Modaraba). The management intends to carry out the transfer of assets and liabilities (including contingent liabilities) at the carrying values of assets and liabilities appearing in the books of the Modaraba as per the latest audited financial statements at the date of transfer subject to the approval of the relevant authorities. No adjustments have been made in the carrying value of assets and liabilities held by the Modaraba. The classifications of balances between long-term and short-term have not been adjusted as the businesses and balances will be transferred on a going concern basis at their respective carrying values.

The draft scheme of arrangement was finalised and submitted to the SECP - Registrar Modarabas for its approval. The SECP vide a letter no. SC/M/PRDD/Allied/2022-RS 49 / 134 dated June 23, 2022 has issued a no objection certificate (NOC) on the scheme of arrangement subject to the fulfilment of the following conditions:

- The modaraba shall determine a buy-back price in consultation with the PSX to buy shares from the dissenting certificate holders which shall not be lower than the 12 months' average daily price reported by PSX preceding to the date of the board meeting for approval of swap ratio and the scheme and the book value per certificate as per the audited financial statements as at December 31, 2021; and
- No objection certificate(s) shall be obtained from all the creditors before making a petition to the Court and certified true copies shall be submitted to the Registrar Modaraba.

Upon successfully obtaining NOCs from all creditors, the Modaraba and the related companies have filed the petition with the Honorable Sindh High Court (SHC) in the month of October 2022. The first hearing at the Honorable Sindh High Court on the petition was held on October 19, 2022, whereby, the petition was admitted and the court ordered to convene separate meetings of members of all the petitioners (Modaraba and related companies) and publication of the scheme in the official gazette. Thereafter, separate meetings of members of all the petitioners were held on November 25, 2022 whereby, the scheme was approved unanimously. Minutes of the meetings of members were also submitted to the SHC subsequently within seven days of the meeting. The modaraba management company expects to get approval from the SHC before June 30, 2024.

The licence of the Modaraba Management Company is proposed to be surrendered to the Registrar Modarabas and the SECP after the completion of the aforementioned scheme of arrangement.

More than 90 percent of the certificates are held directly and indirectly by the associated and the group companies by virtue of which this restructuring will be considered as a transaction under common control and will be accounted for under predecessor method of accounting in accordance with the requirements of 'Accounting for Common Control Transactions' standard (which specifies the accounting for common control transactions) issued by the SECP. Currently, there is no potential impact that requires adjustment to the carrying values and classification of assets and liabilities in the books of the Modaraba as at the reporting date.

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 are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981; 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 and the Companies Act, 2017.

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Islamic Financial Accounting Standards (IFAS), the Companies Act, 2017 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 and the Companies Act, 2017 differ from IFRS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, IFAS, the Companies Act, 2017 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 and the Companies Act, 2017 have been followed.

2.2 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:

- Mustajir (lessors) presents the assets subject to Ijarah in their balance sheet according to the nature of the asset. The Mustajir is required to distinguish these Ijarah assets from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expenses.
- Ijarah income is recognised in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

2.3 These financial statements are presented in Pakistani Rupees which is also the Modaraba's functional and presentation currency and all the figures presented in these financial statements have been rounded off to the nearest Rupee, unless otherwise stated.

2.4 Basis of measurement

These financial statements have been prepared on the basis of historical cost convention except for certain staff retirement benefits and compensated absences which are carried at present value.

2.5 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year:

There are certain amendments to the published approved accounting standards that are mandatory for the Modaraba's accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Modaraba's operations and, therefore, have not been detailed in these financial statements.

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

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Modaraba's accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Modaraba's operations and are, therefore, not detailed in these financial statements.

2.7 Critical accounting estimates and judgments

The preparation of these financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgments in application of the Modaraba's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised 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 the current and future periods.

Significant accounting estimates and areas where judgments were made by the management in the application of the accounting policies are as follows:

- Estimates of residual values, useful lives and depreciation methods of ijarah assets, fixed assets in own use and intangible assets (notes 3.4, 3.5, 3.7, 4, 5 and 6);
- Impairment of financial assets (notes 3.1.1.5, 9, 10 and 11);
- Impairment of non-financial assets (notes 3.14 and 4)
- Provision against non-performing ijarah rentals receivables, operation and maintenance income receivables and other receivables (notes 3.1.1.5, 9, 10 and 11);
- Provision for staff retirement benefits (notes 3.11.1 and 16)
- Provision for compensated absences (notes 3.9 and 17);
- Provision for taxation (notes 3.8, 11, 21 and 32); and
- Provision on stores and spares (notes 3.3 and 8).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

3.1.1 Financial assets

3.1.1.1 Classification

The Modaraba classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI);
- at fair value through profit or loss (FVTPL).

a) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amounts of these assets are adjusted by any expected credit loss allowance recognised and measured as described in note 3.1.1.5.

b) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment losses or reversals, recognised and measured as described in note 3.1.1.5, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit or loss.

c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss in the year in which it arises.

3.1.1.2 Business model

The business model reflects how the Modaraba manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Modaraba in determining the business model for a Modaraba include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

3.1.1.3 Solely payments of principal and interest

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Modaraba assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Modaraba considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

3.1.1.4 Initial recognition

Financial assets are recognised at the time the Modaraba becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value plus transaction costs except for financial assets carried at FVTPL. Financial assets carried at FVTPL are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the statement of profit or loss.

3.1.1.5 Impairment (including against potential Ijarah rental receivables and operation and maintenance income receivables)

The Modaraba recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and FVOCI. The maximum period considered when estimating ECLs is the maximum contractual period for which the Modaraba is exposed to credit risk.

The Modaraba measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets except Ijarah rentals receivable and operations and maintenance income receivable that are determined to have low credit risk at reporting date; and
- Financial assets except Ijarah rentals receivable and operations and maintenance income receivable for which credit risk has not increased significantly since initial recognition.

When determining whether the credit risk of the financial asset has increased significantly since initial recognition and when estimating ECLs, the Modaraba considers reasonable and supportable information that is relevant and available without undue cost or effort. This include both qualitative and quantitative information and analysis, based on the Modaraba's historical experience and informed credit assessment including forward looking information.

The Modaraba assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Modaraba considers a financial asset to be in default when:

- The counterparty is unlikely to pay its credit obligations to the Modaraba in full, without recourse by the Modaraba to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the financial asset.

12-month ECLs are the portion of ECLs that result from default event that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of the ECLs

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cashflows due to the entity in accordance with the contract and the cashflows that the Modaraba expects to receive).

ECLs are discounted at the effective profit rates of the financial assets.

Credit-impaired financial assets

At each reporting date, the Modaraba assess whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is "credit-impaired" when one or more event that have a detrimental impact on the estimated future cashflows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counter party;
- a breach of contract such as a default or being more than 90 days past due;
- restructuring of a loan or advance by the Modaraba on terms that the Modaraba will not consider otherwise;
- it is probable that the counter party will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowance for financial assets measured at amortised cost are deducted from the carrying amount of the assets and charged to profit or loss.

3.1.1.6 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- the Modaraba transfers substantially all the risks and rewards of ownership; or
- the Modaraba neither transfers nor retains substantially all the risks and rewards of ownership and the Modaraba has not retained control.

Any gain or loss on derecognition of financial liabilities is taken to the statement of profit or loss.

3.1.1.7 Reclassifications

The Modaraba reclassifies financial assets when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting year following the change.

3.1.1.8 Write offs

The gross carrying amount of a financial asset is written off when the Modaraba has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Against each customer's outstanding exposure which stands as impaired, the Modaraba makes an assessment with respect to the timing and amount of write off based on the expectation of recovery. However, financial assets that are written off remain subject to legal enforcement activities for recovery of amounts due.

3.1.1.9 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) Financial assets at fair value

Financial assets 'at fair value through profit or loss' are marked to market using the closing market rates and are carried on the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the statement of profit or loss in the year in which these arise.

Financial assets at fair value through 'Other Comprehensive Income' are marked to market using the closing market rates and are carried on the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognised in other comprehensive income.

b) Financial assets held at amortised cost

These are subsequently measured at amortised cost.

3.1.1.10 Collaterals

Cash collaterals provided by the Modaraba is classified as margin cash and is not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Modaraba classifies that asset in its statement of financial position separately from other assets and identifies the asset as pledged collaterals. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made in the notes to the financial statements.

3.1.2 Financial liabilities

Financial liabilities are recognised at the time the Modaraba becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value less any directly attributable transaction cost.

Financial liabilities are subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer.

3.1.2.1 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of financial liabilities is taken to the statement of profit or loss.

3.1.2.2 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.2 Cash and Bank Balances

Cash and Bank Balances are carried in the statement of financial position at cost. These include cash in hand, balances with banks in current and savings accounts and short-term highly liquid investments that are readily convertible to known amounts of cash (i.e. in three month) and which are subject to an insignificant risk of changes in value.

3.3 Stores and Spares

Stores and Spares are valued at lower of cost determined on weighted average basis and net realisable value. Cost comprises invoice value and other cost incurred in bringing the inventories to their present location and condition.

These are valued at moving average cost less accumulated impairment loss, if any, except for items in transit which are stated at invoice value plus other charges incurred thereon till the reporting date. Cost comprises invoice value and other direct costs but excludes borrowing cost. Provision is made for obsolete / slow moving items where necessary and is recognised in the statement of profit or loss.

Provision against obsolete and slow moving spares is determined based on the management's assessment regarding their future usability.

Net realisable value comprises of the estimated selling price in the ordinary course of business less costs which are necessarily incurred in order to make the sale.

3.4 Ijarah assets

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

Depreciation is charged to the statement of profit or loss applying the straight line method whereby the cost of an asset less residual value is depreciated over the estimated useful life of the asset. Depreciation is charged on additions from the month the asset is available for use and on disposals up to the month preceding the month of disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss, in the year in which these arise.

3.5 Fixed assets - in own use

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

Depreciation on all fixed assets is charged to the statement of profit or loss applying the straight-line method over the useful life of the asset as disclosed in note 5 to the financial statements and after taking into account residual value. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged on additions from the month the asset is available for use and on disposals up to the month preceding the month of disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss, in the year in which these arise.

3.6 Capital work-in-progress

Capital work-in-progress / fixed assets are stated at cost less accumulated impairment losses (if any). It also includes expenditure incurred on Ijarah assets in the course of installation and advances for capital expenditure. Transfers are made to the relevant category of Ijarah assets / fixed assets as and when the assets becomes available for intended use.

3.7 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amounts or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with the assets will flow to the Modaraba and the cost of the items can be measured reliably. Amortisation is charged

to income using the straight line method in accordance with the rates specified in note 6 to these financial statements. The useful lives and amortisation method are reviewed and adjusted, as appropriate, at each reporting date. Amortisation is charged from the month the asset is available for use while in the case of assets disposed of, it is charged till the month preceding the month of disposal.

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

Gain or loss on disposal of intangible assets, if any, is taken to the statement of profit or loss in the year in which these arise.

3.8 Taxation

Current

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. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

Deferred

Deferred tax is recognised using the balance sheet method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward unused tax assets and unused tax losses can be utilized. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

3.9 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 reporting date in accordance with the service rules (and accumulated up to a specified limit).

The modaraba's obligation under the compensated absences is determined through actuarial valuations carried out under "Projected Unit Credit Method". The actuarial valuations are conducted annually and the latest valuation was conducted at June 30, 2023. Liability so determined is fully recognised by the Modaraba.

3.10 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 of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

3.11 Staff retirement benefits

3.11.1 Unfunded gratuity scheme

The Modaraba operates an unfunded gratuity scheme for all eligible employees who have completed the minimum qualifying period of service. The modaraba's obligation under the scheme is determined through actuarial valuations carried out under "Projected Unit Credit Method". Gratuity is computed based on last drawn basic salary. Actuarial valuations are conducted annually and the latest valuation was conducted at June 30, 2023. Service costs are recognised in the statement of profit or loss in the year in which these occur. Net interest on net defined benefit liability is also recognised in the statement of profit or loss. Effect of remeasurement comprising actuarial gain / loss is recognised in the statement of comprehensive income. Amount recognised in the statement of financial position represents the present value of defined benefit obligation.

3.11.2 Staff Provident fund - defined contribution plan

The Modaraba Management Company operates a recognised provident fund for the Modaraba's permanent employees. Equal monthly contributions are made to the Fund by the Modaraba and the employees in accordance with the rules of the Fund. The Modaraba has no further payment obligation once the contributions have been paid. The contributions made by the Modaraba are recognised as an employee benefit expense when these are due.

3.12 Diminishing musharakah financing payable

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

3.13 Revenue recognition

- Ijarah rentals are recognised as income on an accrual basis, as and when rentals become due.
- Revenue from operation and maintenance services is recognised when the related services have been rendered.
- Return on savings accounts including term deposits receipt is recognised on an accrual basis at the implicit rate of interest.

3.14 Impairment on non-financial assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as an expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

3.15 Foreign currency transactions

Transactions in foreign currencies are converted into Pakistani Rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rate of exchange prevailing at the reporting date. All exchange differences arising on translations are included in the statement of profit or loss in the current year.

3.16 Segment reporting

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

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

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

3.17 Earnings per certificate

Earnings per certificate is calculated by dividing the profit / (loss) after taxation for the year by the weighted average number of certificates outstanding during the year.

3.18 Proposed profit distribution to certificate holders and appropriations to statutory reserves

Profit distribution to certificate holders is recognised as a liability in the year in which such distribution is announced.

Appropriations to statutory reserves declared / approved subsequent to reporting date are considered as adjusting event and are recorded in financial statements of the current year.

3.19 Government grants and related borrowing and deferred income

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Modaraba recognises government grants when there is reasonable assurance that grants will be received and the Modaraba will be able to comply with conditions associated with grants.

Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Modaraba will be able to comply with the conditions associated with the grants.

Grants that compensate the Modaraba for expenses incurred, are recognised on a systematic basis in the income for the year in which the related expenses are recognised. Grants that compensate for the cost of an asset are recognised in income on a systematic basis over the expected useful life of the related asset.

The borrowing (from the Government in this case) is initially recognised at the amount received and subsequently measured at amortised cost.

3.20 Right-of-use asset and related lease liability

At inception of a contract, the Modaraba assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of right-of-use asset or end of the lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Modaraba's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

4 IJARAH ASSETS

	Note	2023	2022
		(Rupees)	
Ijarah assets	4.1	6,039,626,525	5,881,757,203
Capital work-in-progress	4.2	149,827,063	64,904,484
		<u>6,189,453,588</u>	<u>5,946,661,687</u>

4.1 Ijarah assets

	2023			
	Generators and related equipment	Logistics Vehicles	Machines	Total
	(Rupees)			
At 1 July 2022				
Cost	7,182,828,489	2,153,670,539	1,425,848,022	10,762,347,050
Accumulated depreciation	(3,490,551,843)	(783,816,082)	(489,855,977)	(4,764,223,902)
Accumulated impairment losses	(115,798,945)	-	(567,000)	(116,365,945)
Net book value as at July 1, 2022	3,576,477,701	1,369,854,457	935,425,045	5,881,757,203
Additions during the year	536,276,473	85,751,603	7,527,124	629,555,200
Disposals during the year				
Cost	(63,513,421)	(118,169,219)	(32,184,647)	(213,867,287)
Accumulated depreciation	33,189,401	55,208,615	9,585,836	97,983,852
	(30,324,020)	(62,960,604)	(22,598,811)	(115,883,435)
Impairment during the year	-	-	-	-
Depreciation charge for the year	(215,569,522)	(81,094,353)	(59,138,568)	(355,802,443)
Closing net book value as at June 30, 2023	3,866,860,632	1,311,551,103	861,214,790	6,039,626,525
At June 30, 2023				
Cost	7,655,591,541	2,121,252,923	1,401,190,499	11,178,034,963
Accumulated depreciation	(3,672,931,964)	(809,701,820)	(539,408,709)	(5,022,042,493)
Accumulated impairment losses	(115,798,945)	-	(567,000)	(116,365,945)
Net book value as at June 30, 2023	3,866,860,632	1,311,551,103	861,214,790	6,039,626,525
Life (years)	2 to 14	8	8 to 10	

	2022			
	Generators and related equipment	Logistics Vehicles	Machines	Total
	(Rupees)			
At 1 July 2021				
Cost	7,024,730,884	2,087,432,656	1,477,597,625	10,589,761,165
Accumulated depreciation	(3,509,191,221)	(725,961,096)	(462,840,485)	(4,697,992,802)
Accumulated impairment losses	(19,432)	-	(567,000)	(586,432)
Net book value as at July 1, 2021	3,515,520,231	1,361,471,560	1,014,190,140	5,891,181,931
Additions during the year	484,902,017	103,157,600	11,597,380	599,656,997
Disposals during the year				
Cost	(326,804,412)	(36,919,717)	(63,346,983)	(427,071,112)
Accumulated depreciation	218,552,116	17,403,802	32,650,999	268,606,917
	(108,252,296)	(19,515,915)	(30,695,984)	(158,464,195)
Impairment during the year	(115,779,513)	-	-	(115,779,513)
Depreciation charge for the year	(199,912,738)	(75,258,788)	(59,666,491)	(334,838,017)
Closing net book value as at June 30, 2022	3,576,477,701	1,369,854,457	935,425,045	5,881,757,203
At June 30, 2022				
Cost	7,182,828,489	2,153,670,539	1,425,848,022	10,762,347,050
Accumulated depreciation	(3,490,551,843)	(783,816,082)	(489,855,977)	(4,764,223,902)
Accumulated impairment losses	(115,798,945)	-	(567,000)	(116,365,945)
Net book value as at June 30, 2022	3,576,477,701	1,369,854,457	935,425,045	5,881,757,203
Life (years)	2 to 14	8	8 to 10	

- 4.2** This includes advance against purchase of equipment, trucks and overhauling of generators.
- 4.3** During the year, the Modaraba acquired certain equipment and parts amounting to Rs. 43.313 million (June 30, 2022: Rs. 82.128 million) from related party, Allied Engineering and Services (Private) Limited (AESL).
- 4.4** **Temporarily idle Ijarah assets**
- As at June 30, 2023, ijarah assets with a carrying amount of Rs. 465.680 million (June 30, 2022: Rs. 646.971 million) were temporarily idle, which the Modaraba plans to deploy going forward.
- 4.5** Additions to Ijarah assets during the year include assets amounting to Rs. 330.324 million (2022: Rs. 241.207 million) acquired under Diminishing Musharaka arrangement. The Modaraba holds title to these assets.
- 4.6** **Details of disposal of ijarah assets are as follows:**

Particulars	Cost of assets	Accumulated depreciation	Carrying value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Purchaser
(Rupees)							
Equipments							
Power Cables	4,800,000	3,840,000	960,000	1,669,400	709,400	Negotiation	M/s. Procter & Gamble Pakistan Pvt Ltd
Fleet Vehicle							
Fuso Canter - 120Hp-RT	624,300	147,430	476,870	1,850,000	1,373,130	Negotiation	Mr. Jahanzaib
Fuso Canter - 120Hp-RT	3,871,135	2,353,217	1,517,918	1,850,000	332,082	Negotiation	Mr. Imdad Ullah
M-280 - 77Hp-RT	658,304	128,304	530,000	1,150,000	620,000	Negotiation	Mr. Zubair Anwar
M-280 - 77Hp-RT	418,304	51,978	366,326	1,200,000	833,674	Negotiation	Mr. Raja Muhammad Kamran Babar
Fuso Canter - 120Hp-RT	785,193	52,709	732,484	1,850,000	1,117,516	Negotiation	Mr. Raees Khan
TK098(2)	4,561,765	2,226,930	2,334,835	1,800,000	(534,835)	Negotiation	Mr. Muhammad Shakeel
TK109(2)	4,562,184	2,236,334	2,325,850	1,800,000	(525,850)	Negotiation	Mr. M Abu Nakar Saeed
TK116(2)	4,708,653	2,306,380	2,402,273	1,800,000	(602,273)	Negotiation	Mr. M Abu Nakar Saeed
Fuso Canter - 120Hp-RT	2,808,990	1,363,397	1,445,593	2,100,000	654,407	Negotiation	Mr. Jahanzaib
Fuso Canter - 120Hp-RT	2,881,673	1,402,839	1,478,834	700,000	(778,834)	Negotiation	Mr. Bahdur Khan
Fuso Canter - 120Hp-RT	2,807,516	1,377,583	1,429,933	2,100,000	670,067	Negotiation	Mr. Ali Muhammad
Mitsubishi Fuso Canter - 120Hp	3,906,232	2,374,454	1,531,778	1,900,000	368,222	Negotiation	Mr. Saeed Ullah
Fuso Canter - 120Hp-RT	1,036,304	51,978	984,326	2,100,000	1,115,674	Negotiation	M/s. Malik Logistics Co. Pvt Ltd
Fuso Canter - 120Hp-RT	904,084	56,608	847,476	2,100,000	1,252,524	Negotiation	M/s. Malik Logistics Co. Pvt Ltd
Fuso Canter - 120Hp-RT	784,576	56,116	728,460	2,100,000	1,371,540	Negotiation	M/s. Malik Logistics Co. Pvt Ltd
Fuso Canter - 120Hp-RT	972,004	51,978	920,026	2,100,000	1,179,974	Negotiation	M/s. Malik Logistics Co. Pvt Ltd
Fuso Canter - 120Hp-RT	945,373	56,597	888,776	2,100,000	1,211,224	Negotiation	M/s. Malik Logistics Co. Pvt Ltd
TK100(2)	4,688,607	2,344,304	2,344,303	1,800,000	(544,303)	Negotiation	M/s. I.S Enterprises
TK101(2)	4,561,696	2,230,436	2,331,260	1,800,000	(531,260)	Negotiation	M/s. I.S Enterprises
TK106(2)	4,688,777	2,344,388	2,344,389	1,800,000	(544,389)	Negotiation	Mr. Majid Ali
TK107(2)	4,562,249	2,248,173	2,314,076	1,800,000	(514,076)	Negotiation	M/s. I.S Enterprises
TK115(2)	4,698,979	2,317,328	2,381,651	1,800,000	(581,651)	Negotiation	Mr. Majid Ali
TK117(2)	4,688,512	2,330,273	2,358,239	1,800,000	(558,239)	Negotiation	M/s. I.S Enterprises
TK118(2)	4,425,331	2,088,558	2,336,773	1,800,000	(536,773)	Negotiation	M/s. I.S Enterprises
TK120(2)	4,525,761	2,226,535	2,299,226	1,800,000	(499,226)	Negotiation	M/s. I.S Enterprises
TK122(2)	4,525,586	2,262,793	2,262,793	1,800,000	(462,793)	Negotiation	M/s. I.S Enterprises
TK124(2)	4,725,923	2,325,081	2,400,842	1,800,000	(600,842)	Negotiation	M/s. I.S Enterprises
TK125(2)	4,735,191	2,354,533	2,380,658	1,800,000	(580,658)	Negotiation	M/s. I.S Enterprises
M-600 - 230Hp-14W	4,981,500	2,482,997	2,498,503	1,800,000	(698,503)	Negotiation	M/s. I.S Enterprises
M-600 - 230Hp-18W	4,851,500	2,420,477	2,431,023	1,800,000	(631,023)	Negotiation	M/s. I.S Enterprises
Fuso Canter - 120Hp-RT	2,718,290	1,349,404	1,368,886	2,100,000	731,114	Negotiation	M/s. Malik Logistics Co. Pvt Ltd
Fuso Canter - 120Hp-RT	2,808,990	1,370,247	1,438,743	2,100,000	661,257	Negotiation	M/s. Malik Logistics Co. Pvt Ltd
Fuso Canter - 120Hp-RT	2,933,216	1,430,496	1,502,720	2,100,000	597,280	Negotiation	M/s. Malik Logistics Co. Pvt Ltd
Fuso Canter - 120Hp-RT	830,494	51,978	778,516	2,200,000	1,421,484	Negotiation	Mr. Muhammad Ali Khan
Fuso Canter - 120Hp-RT	787,604	51,978	735,626	2,200,000	1,464,374	Negotiation	Mr. Muhammad Ali Khan
Fuso Canter - 120Hp-RT	779,794	56,536	723,258	2,200,000	1,476,742	Negotiation	Mr. Muhammad Ali Khan
TK102(2)	4,688,706	2,302,187	2,386,519	1,250,000	(1,136,519)	Negotiation	M/s. I.S Enterprises
TK129(2)	4,725,923	2,325,081	2,400,842	1,250,000	(1,150,842)	Negotiation	M/s. I.S Enterprises
Forklifts							
CATGP-LPG55N	6,595,729	3,732,083	2,863,646	3,252,250	388,604	Insurance Claim	M/s. Adamjee Insurance
CATERPILLARGP45NT	4,333,071	1,874,269	2,458,802	2,676,650	217,848	Insurance Claim	M/s. Adamjee Insurance

Particulars	Cost of assets	Accumulated depreciation	Carrying value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Purchaser
(Rupees)							
Gensets							
CATDE65EO	1,961,077	911,077	1,050,000	1,050,000	-	Negotiation	M/s. The Fertility Clinic Pvt Ltd
CATDE18E3	1,398,218	773,218	625,000	625,000	-	Negotiation	M/s. The Fertility Clinic Pvt Ltd
CATC15	1,295,945	-	1,295,945	4,102,564	2,806,619	Negotiation	M/s. Allied Materials Ltd
CAT3406	6,186,819	3,286,819	2,900,000	3,675,214	775,214	Negotiation	M/s. Allied Materials Ltd
CATGEP22	1,115,014	661,014	454,000	1,159,583	705,583	Negotiation	M/s. La Décor
CATC15	4,615,582	1,937,570	2,678,012	4,237,288	1,559,276	Negotiation	M/s. Iqbal Engineering Works
CATC15	4,692,083	2,009,289	2,682,794	3,898,305	1,215,511	Negotiation	M/s. Iqbal Engineering Works
CATC15	4,692,083	2,009,289	2,682,794	3,728,814	1,046,020	Negotiation	M/s. Iqbal Engineering Works
CAT3406	4,334,035	2,014,035	2,320,000	2,372,881	52,881	Negotiation	M/s. Iqbal Engineering Works
CATC15	8,334,135	4,934,135	3,400,000	3,559,322	159,322	Negotiation	M/s. Iqbal Engineering Works
CATC15	8,259,630	4,859,630	3,400,000	4,237,288	837,288	Negotiation	M/s. Iqbal Engineering Works
CATF72	900,000	346,973	553,027	195,888	(357,139)	Negotiation	M/s. Gloria Jeans Coffee
Machines							
CATERPILLAR320D2GC	11,734,859	4,098,476	7,636,383	5,180,000	(2,456,383)	Insurance Claim	M/s. Adamjee Insurance
CAT8BT	20,449,788	5,487,360	14,962,428	14,628,099	(334,329)	Negotiation	Mr. Kaka Pehlwan
2023	213,867,287	97,983,852	115,883,435	129,648,546	13,765,111		
2022	427,071,112	268,606,917	158,464,195	146,599,485	(11,864,710)		

4.7 Above assets include fully depreciated assets of Rs. 1,436.944 million (June 30, 2022: 1,446.991 million) still in the Modaraba's use.

4.8 Depreciation charge for the year has been recognised in operating expenses.

5 FIXED ASSETS - IN OWN USE

	Note	2023	2022
(Rupees)			
Operating fixed assets	5.1	204,377,216	190,197,116

5.1 Operating fixed assets

	2023				
	Furniture and fixtures	Other equipments	Vehicles	Right-of-use asset	Total
(Rupees)					
At 01 July 2022					
Cost	18,461,160	23,166,819	205,912,998	91,517,476	339,058,453
Accumulated depreciation	(17,317,695)	(18,059,468)	(64,851,532)	(48,632,642)	(148,861,337)
Net book value as at July 1, 2022	1,143,465	5,107,351	141,061,466	42,884,834	190,197,116
Additions during the year	1,751,680	933,838	74,546,043	-	77,231,561
Disposals during the year					
Cost	-	(742,442)	(26,199,170)	-	(26,941,612)
Accumulated depreciation	-	742,404	14,112,268	-	14,854,672
	-	(38)	(12,086,902)	-	(12,086,940)
Depreciation charge for the year	(640,824)	(2,207,435)	(30,501,614)	(17,614,648)	(50,964,521)
Closing net book value as at June 30, 2023	2,254,321	3,833,716	173,018,993	25,270,186	204,377,216
As at June 30, 2023					
Cost	20,212,840	23,358,215	254,259,871	91,517,476	389,348,402
Accumulated depreciation	(17,958,519)	(19,524,499)	(81,240,878)	(66,247,290)	(184,971,186)
Net book value as at June 30, 2023	2,254,321	3,833,716	173,018,993	25,270,186	204,377,216
Life (years)	3	3	4 to 8		

	2022				
	Furniture and fixtures	Other equipments	Vehicles	Right-of-use asset	Total
	(Rupees)				
At 01 July 2021					
Cost	18,461,160	19,141,788	204,591,209	87,656,908	329,851,065
Accumulated depreciation	(16,030,578)	(16,594,391)	(73,114,609)	(33,394,790)	(139,134,368)
Net book value as at July 1, 2021	2,430,582	2,547,397	131,476,600	54,262,118	190,716,697
Additions during the year	-	4,120,031	54,884,773	3,860,568	62,865,372
Disposals during the year					
Cost	-	(95,000)	(53,562,984)	-	(53,657,984)
Accumulated depreciation	-	26,382	32,920,380	-	32,946,762
	-	(68,618)	(20,642,604)	-	(20,711,222)
Depreciation charge for the year	(1,287,117)	(1,491,459)	(24,657,303)	(15,237,852)	(42,673,731)
Closing net book value as at June 30, 2022	1,143,465	5,107,351	141,061,466	42,884,834	190,197,116
At June 30, 2022					
Cost	18,461,160	23,166,819	205,912,998	91,517,476	339,058,453
Accumulated depreciation	(17,317,695)	(18,059,468)	(64,851,532)	(48,632,642)	(148,861,337)
Net book value as at June 30, 2022	1,143,465	5,107,351	141,061,466	42,884,834	190,197,116
Life (years)	3	3	4 to 8		

5.2 Details of disposal of operating fixed assets are as follows:

Particulars	Cost of assets	Accumulated depreciation	Carrying value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Purchaser
(Rupees)							
Computers	742,442	742,404	38	94,000	93,962	Negotiation	Mr. Azeem Siddiqui, Mr. Israr Ali
Motor Vehicles							
Corolla Altis	2,297,000	1,515,031	781,969	781,969	-	Modaraba' Policy	Mr. Muhammad Awais
CD-70	64,900	40,984	23,916	23,916	-	Modaraba' Policy	Mr. Peer Buksh
CD-70	47,000	19,583	27,417	27,417	-	Modaraba' Policy	Mr. Sheraz Ahmed
CD-70	65,500	41,363	24,137	24,137	-	Negotiation	Mr. Faizan Hussain
CD-70	65,500	41,363	24,137	24,137	-	Negotiation	Mr. Faizan Hussain
Swift	1,475,000	960,761	514,239	514,239	-	Modaraba' Policy	Mr. Azher Saleem
Nissan Clipper	880,000	-	880,000	880,000	-	Modaraba' Policy	Syed Ashraf Hussain
CD-70	84,500	12,479	72,021	81,000	8,979	Modaraba' Policy	Mr. Muhammad Saddique
CD-70	87,500	12,789	74,711	76,500	1,789	Modaraba' Policy	Mr. Zulfiqar Ahmed Abbasi
Suzuki Mehran	669,000	535,200	133,800	1,450,000	1,316,200	Modaraba' Policy	Mr. Abdul Rehman
Bolan	695,000	556,000	139,000	525,000	386,000	Modaraba' Policy	Mr. Aziz Ahmed
Suzuki Mehran	630,000	467,250	162,750	720,000	557,250	Modaraba' Policy	Mr. Abdul Hameed Khan
CD-70	46,500	29,328	17,172	17,172	-	Modaraba' Policy	Mr. Imran Ali
Mehran	840,000	530,455	309,545	309,545	-	Modaraba' Policy	Syed Zain-Ul-Abadien Naqvi
Mehran	840,000	527,692	312,308	312,308	-	Modaraba' Policy	Mr. Misbah Rauf
Swift	1,460,000	1,008,949	451,051	451,051	-	Modaraba' Policy	Mr. Sarwen Gill
CD-70	69,500	43,889	25,611	25,611	-	Modaraba' Policy	Mr. Noor Elahi
CD-70	69,500	43,889	25,611	25,611	-	Modaraba' Policy	Mr. Ameer Tamoore
Honda City	1,869,000	1,180,263	688,737	688,737	-	Insurance Claim	Adamjee Insurance
Honda City	1,859,000	1,170,263	688,737	688,737	-	Modaraba' Policy	Syed Rizwan Mubeen
Cultus	885,000	-	885,000	885,000	-	Modaraba' Policy	Mr. Zeeshan Kafeel

Particulars	Cost of assets	Accumulated depreciation	Carrying value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Purchaser
(Rupees)							
Honda City	1,910,500	1,390,907	519,593	519,593	-	Modaraba' Policy	Syed Khizar Abbas Rizvi
Cultus	980,000	663,085	316,915	316,915	-	Modaraba' Policy	Mr. Aftab Haider
Unique 125	83,000	51,626	31,374	67,500	36,126	Modaraba' Policy	Mr. Junaid Khan
CD-70	70,500	27,612	42,888	42,888	-	Modaraba' Policy	Mr. Muhammad Haris
Honda City	2,121,000	1,214,820	906,180	906,180	-	Walk in Customer	Mr. Muhammad Sajjad
Honda City	2,667,700	1,706,271	961,429	961,432	3	Modaraba' Policy	Mr. Mirza Kamran Baig
Suzuki-110	181,000	68,955	112,045	112,045	-	Modaraba' Policy	Mr. Bahadur Ali
CD-70	84,500	19,150	65,350	65,350	-	Negotiation	Mr. Sameer
Unique 125	93,000	20,800	72,200	72,200	-	Modaraba' Policy	Mr. Muhammad Hassan Khateeb
CD-70	111,500	10,268	101,232	100,350	(882)	Modaraba' Policy	Mr. Muhammad Hassan
CD-70	111,500	10,268	101,232	101,232	-	Modaraba' Policy	Mr. Zaheer Abbas
Corolla GLI	2,637,570	175,557	2,462,013	2,462,013	-	Modaraba' Policy	Mr. Shafiq Ur Rehman
Suzuki-110	148,000	15,418	132,582	109,521	(23,061)	Modaraba' Policy	Mr. Jazib Mumtaz
2023	26,941,612	14,854,672	12,086,940	14,463,306	2,376,366		
2022	53,657,984	32,946,762	20,711,222	22,143,663	1,432,441		

6 INTANGIBLE ASSET

	Note	2023	2022
(Rupees)			
Computer Software	6.1	114,097	570,486
6.1 Computer Software			
Cost		9,471,794	9,471,794
Accumulated depreciation		(8,901,308)	(8,444,919)
Opening net book value		570,486	1,026,875
Additions during the year		-	-
Disposals during the year			
Cost		-	-
Accumulated depreciation		-	-
Amortisation charge for the year		(456,389)	(456,389)
Closing net book value		114,097	570,486
Life over which cost of the asset is amortised		4 years	4 years
7 INVESTMENT			
Investment in Mutual Fund - at fair value through profit and loss		31,934,583	-
8 STORES AND SPARES			
Balance as at the year end		423,106,719	321,364,182
Provision against spare parts	8.1	(65,470,994)	(40,052,550)
		357,635,725	281,311,632
8.1 Provision against spare parts			
Opening balance		40,052,550	37,603,447
Charge for the year		25,418,444	2,449,103
Closing balance		65,470,994	40,052,550
9 IJARAH RENTALS RECEIVABLE			
Balance as at the year end		1,446,192,888	1,246,516,246
Provision against ijarah rentals receivable	9.1 & 9.2	(288,062,575)	(296,303,642)
		1,158,130,313	950,212,604

9.1 Ijarah rentals receivable include exposure which are secured by way of cash deposits of Nil (June 30, 2022: Rs. 1.675 million).

9.2 **Provision against ijarah rentals receivable**

Note	2023	2022
	(Rupees)	
Opening balance	296,303,642	198,827,978
Effect of change in accounting estimate / accounting policy	-	51,815,848
Charge for the year	32,111,683	77,403,273
Written off during the year	(40,352,750)	(31,743,457)
Closing balance	288,062,575	296,303,642

Refer note 37.2.2 for the details of aging of the above receivables.

10 **OPERATION AND MAINTENANCE INCOME RECEIVABLE**

Balance as at the year end	41,687,279	30,035,298
Provision against operation and maintenance income receivable 10.1	(9,334,143)	(8,460,374)
	32,353,136	21,574,924

Refer note 37.2.2 for the details of aging of the above receivables.

10.1 **Provision against operation and maintenance income receivable**

Opening balance	8,460,374	5,280,305
Effect of change in accounting estimate / accounting policy	-	2,449,008
Charge during the year	873,769	731,061
Closing balance	9,334,143	8,460,374

11 **ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE**

Note	2023	2022
	(Rupees)	
Income tax recoverable	286,866,651	388,302,795
Federal Excise Duty (FED) receivable	50,000,000	50,000,000
Punjab service sales tax refundable	-	48,803,542
Federal sales tax refundable	9,896,473	9,896,473
Sales tax on imports refundable	4,182,666	4,182,666
Advances (unsecured):		
- to suppliers for purchase of fixed assets - in own use	24,177,517	22,294,036
- to suppliers for expenses	52,937,499	73,046,675
- to employees against salary (profit free & secured against retirement benefit)	3,010,743	3,869,646
- to employees for expenses	1,397,049	964,651
Security deposits	22,285,583	20,193,738
Accrued income on profit or loss sharing bank accounts	688,153	652,206
Insurance claim receivable	88,420	463,008
Others	2,166,242	3,448,148
	457,696,996	626,117,584
Less: Provision against deposits and other receivables	(329,260)	(329,260)
	457,367,736	625,788,324

11.1 This includes advance tax paid to Federal Board of Revenue (FBR) of Rs. 8.510 million (June 30, 2022: Rs. Nil), taxes collected at source at import stage by the collector of customs of Rs 18.826 million (June 30,2022: Rs. 18.446 million) and withholding of taxes of Rs. 290.177 million (June 30, 2022: Rs. 183.561 million) from various payments made to Modaraba. An amount of Rs. 450.67 million (June 30, 2022: Rs. 261.325 million), representing income tax payable as at June 30, 2023, is netted off from the gross balance of tax recoverable.

11.2 The Modaraba filed Constitutional Petition in the High Court of Sindh, against levy of additional sales tax (AST) @ 3% at the time of import of equipment. The Sindh High Court stayed the said levy vide its order dated January 1, 2013. After the grant of the stay order and on the direction of the Sindh High Court, the amount of 3% additional sales tax amounting to Rs. 4.183 million has been deposited with the Nazir of the court for release of various consignments received thereafter. Later on the Ministry of Finance, Economic Affairs, Statistics and Revenue (Revenue Division) vide SRO No. 367(1)/2013 dated May 8, 2013 also exempted Service Industry from levy of additional sales tax hence admitted the legal advisor's contentions. The management believes that the petition will be decided in the Modaraba's favour. Once decided, the amount deposited with the Nazir will be released. Accordingly, no provision has been recognised in these financial statements.

- 11.3** These represent advances given to employees for expenses. The maximum amount receivable at the end of any month during the year was Rs. 2.874 million (June 30, 2022: Rs. 4.158 million).
- 11.4** These include a cash margin and security deposits of Rs. 19.756 million (June 30, 2022: Rs. 17.381 million) held by the Banks as security for the guarantees of the same amount given by them on behalf of the Modaraba to its suppliers / customers.
- 11.5** This includes an amount of Rs. 1.676 million (June 30, 2022: Rs. 2.958 million) receivable from Allied E-Commerce Solutions (Private) Limited - a related party, against sale of ijarah asset and payments made on behalf of the company.

11.6 Provision against deposits and other receivables

	Note	2023	2022
(Rupees)			
Opening balance		329,260	1,028,375
Reversal during the year		-	(699,115)
Closing balance		329,260	329,260

12 SECURITY DEPOSITS

The balance comprises of amount deposited to Central Depository Company of Pakistan and K-Electric Limited.

13 CASH AND BANK BALANCES

	Note	2023	2022
(Rupees)			
Balances with banks in:			
- current accounts		63,018,788	128,143,738
- deposit accounts	13.1	89,277,356	161,994,889
		152,296,144	290,138,627
Cash in hand		537,811	285,292
		152,833,955	290,423,919

- 13.1** These balances carry profit at rates ranging from 3.40% to 13.50% per annum (June 30, 2022: 3.00% to 7.25% per annum).

14 AUTHORISED, ISSUED, SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

14.1 Authorised certificate capital

2023	2022		2023	2022
(Number of certificates)			(Rupees)	
250,000,000	250,000,000	Modaraba certificates of Rs. 10 each	2,500,000,000	2,500,000,000

14.2 Issued, subscribed and paid-up certificate capital

2023	2022		2023	2022
(Number of certificates)			(Rupees)	
220,000,000	220,000,000	Modaraba certificates of Rs. 10 each fully paid in cash	1,726,250,000	1,726,250,000
47,375,000	47,375,000	Modaraba certificates of Rs. 10 each issued as fully paid bonus certificates	473,750,000	473,750,000
267,375,000	267,375,000		2,200,000,000	2,200,000,000

14.3 Certificates of the Modaraba held by related parties as at year end are as follows:

	2023		2022	
	Number of certificates	(Rupees)	Number of certificates	(Rupees)
Allied Engineering and Services (Private) Limited	151,931,073	1,519,310,730	151,931,073	1,519,310,730
Allied Engineering Management Company (Private) Limited	43,999,997	439,999,970	43,999,997	439,999,970
	<u>195,931,070</u>	<u>1,959,310,700</u>	<u>195,931,070</u>	<u>1,959,310,700</u>

15 STATUTORY RESERVE

Statutory reserve represents profits set aside to comply with the Modaraba Regulations, 2021 issued by the SECP. Until last year, the Modaraba Regulations 2021 required every Modaraba to transfer not less than 20% and not more than 50% of its after-tax profit till such time that reserves equal 100% of the paid-up capital. During the current year, effective from August 15, 2022, the Modaraba Regulations, 2021 have been amended which states that a Modaraba (if compliant with the minimum equity requirement) may create a reserve fund to which shall be credited an amount of its after-tax profits.

During the current year the Modaraba has transferred an amount of Rs. Nil (June 30, 2022: Rs. 76.970 million) which represents Nil (June 30, 2022: 20%) of the profit after taxation.

16 DEFERRED LIABILITY FOR STAFF GRATUITY

	Note	2023	2022
		(Rupees)	
Deferred liability for staff gratuity	16.2	<u>161,275,168</u>	<u>132,755,367</u>

16.1 Defined benefit plan - gratuity

16.1.1 Salient Features

The Modaraba operates an unfunded scheme to provide gratuity to the permanent employees on retirement. The latest actuarial valuation of this scheme was carried out as at June 30, 2023 using the Projected Unit Credit Method by an independent actuary. Principal actuarial assumptions used in the actuarial valuation of the scheme carried out as at June 30, 2023 are given in note 16.1.2. Gratuity is payable to the employees in case of death, retirement or resignation, excluding dismissal due to disciplinary issues. Normal retirement age is 60 years. As at June 30, 2023, 334 employees (June 30, 2022: 342 employees) were covered under the scheme.

Under the service rules, eligible employees are entitled to gratuity after ten years of service and the amount of gratuity depends upon the number of years of service completed by them and at different entitlement rates (applied on basic salaries).

16.1.2 The Gratuity scheme exposes the Modaraba to the following risks:

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Final salary risks

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

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Valuation results

Actuarial valuation is carried out once every year. The latest valuation was carried out as at June 30, 2023. The information provided in notes 16.2 to 16.10 has been obtained from the latest actuarial valuation report. The following significant assumptions have been used for valuation of this scheme:

	2023	2022
	(%)	
Discount rate	15.75	13.5
Expected rate of increase in salary level	15.75	13.5
Withdrawal rates	Moderate	Moderate

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables with one year age set back.

16.2 Amount recognised in statement of financial position

	Note	2023	2022
		(Rupees)	
Present value of defined benefit obligation	16.4	161,275,168	132,755,367

16.3 Movement in amount payable to the defined benefit plan

Opening balance	132,755,367	109,060,825
Charge for the year	30,333,434	23,961,782
Benefits paid during the year	(1,216,668)	(687,192)
Remeasurement (gain) / loss on obligation recognised in comprehensive income of the year	(596,965)	419,952
Closing balance	161,275,168	132,755,367

16.4 Movement in the present value of defined benefit obligation is as follows:

	2023	2022
	(Rupees)	
Present value of defined benefit obligation - opening	132,755,367	109,060,825
Current service cost	11,876,653	10,604,496
Mark-up cost	18,456,781	13,357,286
Benefit paid during the year	(1,216,668)	(687,192)
Remeasurement (gain) / loss on obligation recognised in comprehensive income of the year	(596,965)	419,952
Present value of defined benefit obligation - closing	161,275,168	132,755,367

16.4.1 Analysis of present value of defined benefit obligation

Split by type of members:

Active employees	161,275,168	132,755,367
------------------	-------------	-------------

Split by vested / non-vested

(i) Vested benefits	132,937,245	102,638,293
(ii) Non-vested benefits	28,337,923	30,117,074
	161,275,168	132,755,367

Split by benefits earned to date

(i) Accumulated benefit obligation	42,618,911	38,206,821
(ii) Amounts attributable to future salary increase	118,656,257	94,548,546
	161,275,168	132,755,367

Cadre by type of members

Management staff	161,275,168	132,755,367
------------------	-------------	-------------

16.5 Amount charged to the statement of profit or loss

During the year, the following amounts have been charged to the statement of profit or loss in respect of this scheme:

	Note	2023	2022
		(Rupees)	
Current service cost	16.4	11,876,653	10,604,496
Interest expense	16.4	18,456,781	13,357,286
		30,333,434	23,961,782

16.6 Remeasurements recognised in other comprehensive income during the year

	2023	2022
	(Rupees)	
Remeasurement (gain) / loss on obligation recognised in other comprehensive income	(596,965)	419,952

16.7 Historic Information

	2023	2022	2021	2020	2019
	(Rupees)				
Present value of defined benefit obligation	161,275,168	132,755,367	109,060,825	95,966,148	84,196,492
Remeasurement gain / (loss) on obligation	596,965	(419,952)	1,641,340	10,659,132	1,390,253

16.8 The defined benefit obligations are based in Pakistan

The sensitivities of the defined benefit obligation to changes in the weighted principal assumptions are as under:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	(Rupees)		
Discount rate	1%	145,323,312	179,819,216
Salary increase rate	1%	179,647,992	145,194,389

The above sensitivities analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

16.9 The weighted average duration of the defined benefit obligation is 11.50 years (June 30, 2022: 11.31 years).**16.10** Based on actuarial advice charge for the year ending June 30, 2024 amounts to Rs. 39.095 million (June 30, 2023: Rs. 25.233 million).**17. COMPENSATED ABSENCES**

	2023	2022
	(Rupees)	
Compensated Absences	23,848,987	27,766,018

This represents accrual for staff compensated absences and includes liability in respect of key management personnel amounting to Rs. 6.757 million (June 30, 2022: Rs. 6.137 million).

17.1 The management has estimated the liability for compensated absences at June 30, 2023 based on an actuarial valuation of the employees' compensated absences scheme conducted this year under the projected credit unit method. Following significant assumptions have been used for the actuarial valuation carried out by an independent valuer:

	2023	2022
	(%)	
Discount rate	15.75	13.5
Salary increase rate	15.75	13.5
Withdrawal rates	Moderate	Moderate

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables with one year age set back.

18. LIABILITY AGAINST RIGHT-OF-USE ASSETS

These represent the present value of the future annual rent of different properties obtained on rent by the Modaraba. These are payable as follows:

	2023		2022	
	Minimum Lease Payments	Present Value of minimum lease payments	Minimum Lease Payments	Present Value of minimum lease payments
	(Rupees)			
Not later than one year	20,350,000	18,440,764	20,362,507	16,769,988
Later than one year but not later than five years	12,512,500	12,297,944	32,862,500	30,738,716
Later than five years	-	-	-	-
	32,862,500	30,738,708	53,225,007	47,508,704
Financial charges allocated to future periods	(2,123,792)	-	(5,716,303)	-
	30,738,708	30,738,708	47,508,704	47,508,704
Less: current maturity	(18,440,764)	(18,440,764)	(16,769,988)	(16,769,988)
	12,297,944	12,297,944	30,738,716	30,738,716

The remaining lease term is of 19 months (June 30, 2022: 6 to 31 Months) and present value has been discounted at 9.59% (June 30, 2022: 8.25% to 10.01%).

19. DIMINISHING MUSHARAKA FINANCING PAYABLE - SECURED

	Note	2023	2022	
		(Rupees)		
Musharaka finance	19.1 & 19.2	839,595,605	956,381,734	
Due within one year		(384,835,317)	(410,600,730)	
		454,760,288	545,781,004	
19.1	Financing from Islamic window operations of banks	19.2	839,595,605	956,381,734

19.2 The total facility from Musharaka finance available from financial institutions amounts to Rs. 839.596 million (June 30, 2022: Rs. 956.382 million). These facilities have maturities from July 10, 2023 to October 24, 2027 (June 30, 2022: August 8, 2022 to May 31, 2026) and are secured against the hypothecation of Ijarah assets amounting to Rs. 2,938.433 million (June 30, 2022: Rs. 3,648.968 million). Share of profit payable on these facilities ranges between 11.28% to 23.57% per annum (June 30, 2022: 7.88% to 16.14%) per annum.

19.3 During the year, the Modaraba utilized running musharaka financing facility of amounts ranging from Rs. 3.425 million to Rs. 83.115 million (June 30, 2022: Rs. 6.497 million to Rs. 100 million) to meet its working capital requirements which carries share of profit at rates ranging from 15.55% to 22.98% per annum (June 30, 2022: 8.76% to 15.56% per annum). Total facility available to the Modaraba amounts to Rs. 200 million (June 30, 2022: Rs. 200 million). The facility is secured against hypothecation of Ijarah assets. There is no outstanding balance as at June 30, 2023 (June 30, 2022: Rs. Nil).

20. LONG TERM BORROWINGS AND DEFERRED GRANTS

The details of Long term borrowings and deferred grants are as follows:

	Note	2023	2022
		(Rupees)	
SBP Salary refinance scheme		-	99,812,830
Deferred income - government grant		-	1,934,864
Outstanding balance		-	101,747,694
Current portion of SBP Salary refinance scheme		-	99,812,830
Current portion of deferred income - government grant		-	1,934,864
		-	101,747,694

21. DEFERRED TAX LIABILITY

Deferred tax liability	21.1	1,083,539,360	866,017,146
------------------------	------	---------------	-------------

21.1 Movement in temporary differences during the year:

	As at July 1, 2022	Recognised in P&L	Recognised in OCI	As at June 30, 2023
(Rupees)				
Taxable temporary differences on				
- Ijarah assets	964,711,785	264,053,342	-	1,228,765,127
- Fixed assets - in own use	17,012,678	18,534,589	-	35,547,267
	981,724,463	282,587,931	-	1,264,312,394
Deductible temporary differences on				
- Deferred liability for staff gratuity	(43,809,271)	(19,320,861)	232,816	(62,897,316)
- Liability against right-of-use assets	(15,677,872)	3,689,776	-	(11,988,096)
- Ijarah rentals receivable	(54,681,762)	(48,094,052)	-	(102,775,814)
- Operation and maintenance income receivable	(1,538,412)	(1,573,396)	-	(3,111,808)
	(115,707,317)	(65,298,533)	232,816	(180,773,034)
	866,017,146	217,289,398	232,816	1,083,539,360

	As at July 1, 2021	Recognised in P&L	Recognised in OCI	As at June 30, 2022
(Rupees)				
Taxable temporary differences on				
- Ijarah assets	817,929,561	146,782,224	-	964,711,785
- Fixed assets - in own use	12,672,972	4,339,706	-	17,012,678
	830,602,533	151,121,930	-	981,724,463
Deductible temporary differences on				
- Deferred liability for staff gratuity	(31,627,639)	(12,043,048)	(138,584)	(43,809,271)
- Liability against right-of-use assets	(15,154,982)	(522,890)	-	(15,677,872)
- Ijarah rentals receivable	-	(54,681,762)	-	(54,681,762)
- Operation and maintenance income receivable	-	(1,538,412)	-	(1,538,412)
	(46,782,621)	(68,786,112)	(138,584)	(115,707,317)
	783,819,912	82,335,818	(138,584)	866,017,146

22 OTHER LONG TERM LIABILITIES

	Note	2023	2022
(Rupees)			
Security deposits	22.1	-	1,675,000
Employee car scheme - deductions	22.2	39,233,538	33,076,087
		39,233,538	34,751,087
Current portion of security deposits		-	1,675,000
Current portion of employee car scheme - deductions		9,829,551	9,829,551
		9,829,551	11,504,551
Non-current portion of security deposits		-	-
Non-current portion of employee car scheme - deductions		29,403,987	23,246,536
		29,403,987	23,246,536

22.1 This represents security deposits payable in respect of assets given under Ijarah arrangements (IFAS-2).

22.2 This represents amount received from employees against the Modaraba's employee car scheme policy.

23 PAYABLE TO THE MODARABA MANAGEMENT COMPANY

	2023	2022
(Rupees)		
Remuneration payable to Management Company - net	9,041,384	9,219,525
Sindh Sales Tax payable on remuneration of Management Company	1,300,000	1,300,000
	10,341,384	10,519,525

- 23.1** 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. The remuneration for the year ended June 30, 2023 has been recognised at 1.02% (June 30, 2022: 1.35%) of the profit for the year.

24 CREDITORS, ACCRUED AND OTHER LIABILITIES

	Note	2023	2022
(Rupees)			
Creditors	24.1	876,914,061	952,003,413
Accrued expenses	24.2	125,662,315	150,952,442
Payable to Worker's Welfare Fund	24.3	15,195,773	12,554,586
Tax deduction at source from			
- employees		2,413,387	952,765
- suppliers		1,723,932	2,841,965
Sales tax payable		36,679,921	6,694,992
		<u>1,058,589,389</u>	<u>1,126,000,163</u>

- 24.1** This includes Rs. 582.492 million (June 30, 2022: Rs. 670.022 million) and Rs. 5.871 million (June 30, 2022: Rs. 18.656 million) payable to Allied Engineering and Services (Private) Limited - related party and Apex Machinery (Private) Limited - a related party, for various purchases and services availed by the Modaraba.
- 24.2** This includes an accrual of financial charges of Rs. 18.146 million (June 30, 2022: Rs. 14.251 million), Rs. Nil (June 30, 2022: Rs. 1.180 million) and Rs. Nil (June 30, 2022: Rs. 2.486 million) in respect of Diminishing Musharaka, Running Musharaka and the SBP refinancing facilities availed by the Modaraba, respectively.
- 24.3** This includes amount payable against Sindh Workers' Welfare Fund (SWWF) and Punjab Workers' Welfare Fund (PWWF) amounting Rs. 7.75 million (2022: Rs. 6.69 million) and Rs. 6.33 million (2022: Rs. 4.91 million) respectively.

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income.

The Sindh Revenue Board (SRB) vide letter no. SRB/DC-A(W)/2017/Rep/4760 dated January 16, 2017 had advised the Modaraba to pay off all its liabilities falling due under the SWWF Act. The management considered that the SWWF Act is limited only to the province of Sindh and till the time there is any mechanism available for apportionment of total income relevant to province of Sindh, no SWWF liability to SRB can be paid out. On these grounds, foreseeing the expected WWF demand and penal actions from SRB, the Modaraba had filed a Constitutional Petition (CP) No. CP.D.3879/2017 with the Honorable Sindh High Court. On March 16, 2020, an interim order was issued by the Honorable Sindh High Court whereby the Modaraba was instructed to deposit the SWWF liability either with SRB or Nazir as appointed by the Court. As advised by its legal counsel and consistent with the grounds adopted by the Modaraba in its petition, the Modaraba paid SWWF liability directly to SRB amounting Rs. 10.78 million calculated on a proportionate basis for the period from 2015 to 2019.

Since then Modaraba has been paying SWWF as well as PWWF on pro-portionate basis.

The petition is at its final stage of hearing. As per the opinion of the legal advisor, the management believes that the outcome of the petition will be in favor of the Modaraba and Honourable Court will decide to pay pro-rata SWWF to SRB, which the Modaraba has already complied with.

25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

Contingencies outstanding as at June 30, 2023 are as follows:

25.1.1 Sindh Sales Tax on operations and maintenance services of the Modaraba

During the year ended June 30, 2014, the Assistant Commissioner - Sindh Revenue Board (SRB) issued an order no. 160 of 2013 dated July 12, 2013 demanding Sindh sales tax of Rs. 25.633 million at 16% on total operation and maintenance income amounting to Rs 160.204 million of the Modaraba for the year ended June 30, 2014.

Considering the nature of operation and maintenance services, their geographical limitations and method of computation relating to levy of provincial sales tax on services as envisaged in the Sindh Sales Tax on Services Act 2011, the Modaraba filed an appeal with the Commissioner Appeals - (SRB). Simultaneously, the Modaraba also filed a Constitutional petition in the Honourable High Court of Sindh relating to the levy of Sindh Sales Tax by virtue of which the Honourable High Court of Sindh stayed the demand of Sindh Sales Tax vide its order dated October 11, 2013. Subsequently, the Honourable High Court of Sindh issued a judgment dated January 27, 2014 directing SRB not to take any coercive action against the Modaraba till the decision has been reached in appeal pending before the Commissioner (Appeals) - (SRB).

The Commissioner (Appeals) - (SRB) vide an order in appeal number 16/2014 dated February 25, 2014 reduced the demand of Sindh Sales Tax from Rs. 25.633 million to Rs. 12.238 million stating that the differential amount of Rs. 13.395 million pertains to the services rendered outside the province of Sindh. The Modaraba had filed a Constitutional Petition CP No. D-1190 in the Honourable High Court of Sindh against the order of the Commissioner (Appeals) - Sindh Revenue Board (SRB) by virtue of which the Honourable High Court of Sindh vide its order dated March 11, 2014 had suspended the operation of the impugned order of the Commissioner (Appeals) - SRB. Subsequently, the Sindh Revenue Board Tribunal was constituted and became functional in June 2015. The Modaraba, on the direction of the Honourable High Court of Sindh, filed an appeal to the Tribunal.

The Tribunal disposed of the appeal in favour of Modaraba. However, the Commissioner has demanded the said tax dues along with default surcharge. The Modaraba has filed an appeal with the Commissioner (Appeals) along with applications for stay of demand which remains undisposed, therefore, the Modaraba filed a petition dated May 15, 2018 in the Honourable High Court of Sindh for the stay of demand and the Court granted a stay order till the next date of hearing.

The Commissioner (Appeals) issued an order dated April 23, 2019 against the Modaraba and directed the tax officer to work out the sales tax liability on the 'equipment rental agreements' along with the default surcharge considering them taxable under tariff heading "Commodity or equipment leasing" by also setting aside tax officer's grounds to charge tax under the category of "Contractual execution of work or furnishing supplies".

The Modaraba and the Assistant commissioner had filed appeals against the said order in ATIR. ATIR issued an Order No. AT 56/2019 dated November 13, 2019 setting aside both the orders in original no. 457/2018 and order in appeal no. 89/2019 and held that the services of "operation and maintenance" neither fell within the ambit of tariff heading "Contractual execution of work or furnishing supplies" nor "Commodity or equipment leasing". Both the appeals were allowed and the case was remanded back to the assessing officer to hear the parties afresh. The Tribunal required the assessing officer to first determine the actual nature of services provided or rendered by the taxpayer and then to invoke proper tariff heading under which such services falls for the purpose of taxing the services provided or rendered by the taxpayer and consider available exemption notifications and allow the benefits of the same to the taxpayer, if applicable. The officer, through the letter dated December 24, 2019, had initiated the remand back proceedings.

During the year ended June 30, 2020, an Order-in-Original No. 34 of 2020 dated February 27, 2020 was passed on an ex-parte basis whilst finalising the matter remanded back by the ATIR in its order dated November 13, 2019. In the said order, the officer changed the earlier stance and now concluded that 'Operating and Maintenance' services provided by the Modaraba are taxable under "Others, including the services provided or rendered by non-banking, finance companies, modaraba and musharaka companies and other financial institutions" of the Second Schedule to the Sindh Sales Tax on Services Act, 2011.

The Modaraba has filed an appeal before Commissioner (Appeals) and the decision in this respect is pending to date. As per the opinion of the tax advisor the management believes that the outcome of the appeal will be in favour of the Modaraba and hence no provision amounting to Rs. 12.238 million has been made in these financial statements.

25.1.2 Federal Excise Duty on gross revenue receipts of the Modaraba

On March 11, 2016, assessment orders relating to tax years 2014 and 2015 were received from the Assistant Commissioner of Inland Revenue demanding a Federal Excise Duty (FED) aggregating to Rs 838.662 million (calculated @16% of gross receipts of the Modaraba for the above mentioned tax years) the related default surcharge and applicable penalty. In response, an appeal was filed by the Modaraba with the Commissioner Inland Revenue – Appeals (CIR-A) on March 16, 2016. The Modaraba had paid an amount of Rs 50 million to the Federal Board of Revenue under protest in respect of the above.

In the opinion of the management, pursuant to the 18th amendment in the Constitution of Pakistan, the authority to collect sales tax has been delegated to the provinces. Accordingly, the Modaraba filed Constitutional Petitions with the Honourable Sindh High Court (SHC) in respect of which the SHC granted an interim injunction order to the Modaraba. The petitions were decided by the SHC on June 2, 2016 in which the SHC declared the levy of FED as 'ultra vires' with effect from July 1, 2011 and also quashed any duty recovered by the FBR.

However, in contradiction to the above mentioned judgment by the SHC, the CIR-A through orders dated June 03, 2016 upheld the levy of FED on the Modaraba and consequently directed the Modaraba to pay the alleged amount of FED along with default surcharge and penalty. In response, the Modaraba had filed appeals with the Honourable Appellate Tribunal Inland Revenue (ATIR) which is pending for hearing.

Subsequently, appeals have been filed in the Honourable Supreme Court of Pakistan by the counterparties aggrieved by the above mentioned order of SHC which is pending for hearing.

During the year ended June 30, 2022 the hearing of ATIR was held on September 16, 2021. The order dated September 21, 2021 was passed by ATIR stating that "Under the light of the decision of SHC CP-3184/2014 in the favour of the Modaraba, it is concluded that both the orders for the charge years have already been quashed and set aside by the Honourable Court, therefore, there is no place for this forum for any further comments or action".

In light of the judgment of the SHC and based on consultations with its tax advisors, the management believes that the outcome of the appeals with the ATIR and SHC will be in favour of the Modaraba. Accordingly, no provision in respect of FED has been made in these financial statements. Further, the under protest payment of Rs 50 million made to the FBR has been shown as a refundable balance in note 11 to these financial statements.

As per the opinion of the tax advisor, the management believes that the outcome of the appeal will be in favour of the Modaraba and hence no provision amounting to Rs. 838.662 million has been made in these financial statements.

- 25.1.3** The Commissioner had demanded, through an assessment order no. 11/30 of 2019 dated April 26, 2019 and an order no. 01 of 2018 dated June 27, 2018, sales tax amounting to Rs. 21.47 million and Rs. 26.228 million in respect of disposal of ijarah asset during the year ended 2015 and 2014 respectively against disposal value of Rs. 126.28 million and Rs. 154.64 million respectively. The Modaraba had filed an appeal with Commissioner (Appeal) and paid ten percent of the demanded amounts. Against the order no. 01 of 2018, the hearing of the appeal was made on September 23, 2021. The appellate ordered under section 45B to pay the liable amount along with the default surcharge and penalty @ 5%. Against the order no. 11/30, hearing of the appeal was made on October 8, 2021. The authority ordered under section 45B of sales tax act, 1990 to pay the liable amount along with default surcharge @ 5%. The order of DCIR was received dated December 14, 2021 to pay the total ordered amount on or before December 21, 2021.

During the year ended June 30, 2021, the Modaraba further received notices for the tax years 2016 and 2017 demanding sales tax amounting to Rs. 48.77 million in respect of disposal of ijarah assets during the year ended 2016 and 2017 against aggregate disposal value of Rs. 286.88 million.

The appeal before the CIR (A) was filed vide the letter DST 055 dated July 1, 2018 in respect of sales tax on disposal of ijarah assets. The matter was heard earlier and has been re-fixed for hearing on January 20, 2020. The appeal could not be heard due to the transfer of CIR (A).

The appeal on aforementioned matter was finalised vide Order No. OIR/Enforcement-1/S/2020/48/03 dated February 2, 2021 demanding sales tax of Rs. 48.769 million along with a penalty under section 33(5) of Rs 2.438 million. The Modaraba has deposited payment under protest of Rs.5.181 million (adjusted from income tax refundable) and filed an appeal against the above order before the ATIR.

The management, in consultation with its tax advisor, believes that the outcome of the appeal will be in their favour and, accordingly, no provision has been made in these financial statements. Further, the under protest payment of Rs. 9.896 million has been shown as a refundable balance in note 11 of these financial statements.

- 25.1.4** Deputy Commissioner Inland Revenue (CIR) issued an order D.C. no. 21/03 dated June 9, 2018 in respect of tax audit for the tax year 2012. The CIR raised a tax demand amounting to Rs. 8.152 million against the profit on ijarah financing, gain on disposed of ijarah assets and the management fee. The Modaraba has filed an appeal with Commissioner Inland Revenue (Appeal) against the order. The management in consultation with the tax advisor, believes that the outcome of the appeal will be in favour of the Modaraba and ,accordingly, no provision has been made in these financial statements.

- 25.1.5** The Additional Commissioner Inland Revenue (ACIR) issued an order DC No. 02/29 dated October 7, 2020. The order stated on the basis of scrutiny of return and monthly / annual statements filed by the Modaraba for the tax year 2015 that the Modaraba has not deducted / partially deducted taxes from the payments against expenses made during the year. In the order, short deductions of tax were calculated by the department on the entire amount of the expenditures claimed in the return (Rs. 1.346 billion). The department demanded Rs. 232.83 million from the Modaraba along with the default surcharge u/s 205 of Rs. 41.91 million.

The Modaraba filed an appeal against the assessment with the Commissioner Inland Revenue Appeals CIR (A). The appeal was heard on February 12, 2021, May 4, 2021 and later on October 11, 2021. The appeal has been decided by the CIR (A) vide his order dated November 25, 2021, in which the assessment has been set-aside and remanded back to the assessing officer. Re-assessment proceedings have been initiated but the same has not been concluded.

- 25.1.6** The Additional Commissioner Inland Revenue (ACIR) issued an order dated June 30, 2022. The order stated upon the scrutiny of return and monthly / annual statements filed by the Modaraba for the tax year 2016 that the Modaraba has not deducted / partially deducted taxes from the payments against purchase of fixed assets. The department demanded Rs. 11.94 million from the Modaraba along with the default surcharge u/s 205 and penalty u/s 182 of Rs. 1.43 million and Rs. 1.19 million respectively.

The Modaraba had filed an appeal against the assessment with the Commissioner Inland Revenue Appeals CIR (A). The appeal was decided by the CIR (A) vide his order dated December 23, 2022. The assessment has been set-aside and remanded back to the assessing officer. Re-assessment proceedings have not been initiated.

- 25.1.7** Additional Commissioner Inland Revenue (ACIR) issued an order dated June 27, 2023. The order stated on the basis of scrutiny of return and monthly / annual statements filed by the Modaraba for the tax year 2017 that the Modaraba has not deducted taxes from the payments against expenses amounting Rs. 24.91 million. The department demanded Rs. 2.94 million from the Modaraba along with the default surcharge u/s 205 and penalty u/s 182 of Rs. 0.29 million and Rs. 0.24 million respectively.

Appeal against the assessment has been filed with the Commissioner Inland Revenue Appeals CIR (A) and is pending for adjudication. The management in consultation with the tax advisor, believes that the outcome of the appeal will be in favour of the Modaraba and, accordingly, no provision has been made in these financial statements.

- 25.1.8** The Additional Commissioner Inland Revenue, through its order dated December 30, 2020 has amended the tax return filed by the Modaraba for the tax year 2018. The order was based on the following references:

- The ACIR has rejected the tax exemption under clause 100 Part I of Second schedule to the Ordinance and imposed tax @ 30% on the income of Rs. 1.342 billion. The rejection is alleged on the premise that the amount transferred to statutory reserve is not as prescribed under the prudential regulations for Modarabas.
- The Modaraba's tax deductions under section 148(1) of the Ordinance amounting to Rs. 40.93 million is treated as a tax under the final tax regime under section 148(7) of the Ordinance (and not as tax recoverable). This was based on the inference that income for this year is not exempt as the conditions were not met and as such tax collected under section 148 is alleged to be final tax.
- Credit of taxes claimed for taxes paid / deducted aggregating to Rs. 142.66 million has been disallowed pending the provision of evidence.
- After taking into account the above, taxable income of Rs. 1.342 billion has been assessed and income tax of Rs. 350.25 million has been demanded.

Appeals have been filed by the Modaraba before the tax authorities and an application has been filed with the Sindh High Court in this regard for a stay order. The CIR(A) vide it's appellate order dated May 25, 2021 issued under section 29 of the Ordinance has adjudicated on the Modaraba's appeal. The Modaraba has now filed an appeal on the adjudication before ATIR which is pending hearing. A stay has been granted by ATIR till August 21, 2021.

The management, based on the merits of the case and on the basis of its tax advisor's views, is confident that the above matter will be decided in favour of the Modaraba and hence no provision has been made in these financial statements.

Refer notes 11.1 and 11.2 also.

25.2 Commitments

Capital commitments and financial guarantees

2023	2022
(Rupees)	
16,097,784	109,991,954

25.2.1 This represents commitments in respect of purchase of ijarah assets which is expected to be settled in the next financial year.

26 IJARAH RENTALS - net

	2023	2022
	(Rupees)	
Ijarah rentals	5,502,656,345	4,814,627,649
Sales tax	(589,707,226)	(490,774,354)
	4,912,949,119	4,323,853,295

27 OPERATION AND MAINTENANCE INCOME - net

	2023	2022
	(Rupees)	
Operation and maintenance income	217,765,722	167,675,892
Sales tax	(22,122,403)	(16,562,054)
	195,643,319	151,113,838

28 OPERATION, MAINTENANCE AND IJARAH RELATED EXPENSES

	Note	2023	2022
		(Rupees)	
Salaries, wages and other staff benefits	28.1	1,205,968,861	1,076,802,456
Depreciation expense	4.1	355,802,443	334,838,017
Repairs and maintenance expenses		411,487,917	531,929,736
Fleet vehicles running expenses		1,395,363,712	964,379,391
Vehicles running expenses		97,487,469	62,929,502
Insurance expense - equipment		45,274,425	43,920,499
Transportation cost		65,081,116	71,219,150
Travelling, conveyance and other expenses		9,336,311	8,877,159
Rent expense		21,586,815	21,385,622
Impairment of Ijarah Assets	4.1	-	115,779,513
Provision against slow moving spares	8.1	25,418,444	2,449,103
		3,632,807,513	3,234,510,148

28.1 This includes contribution of Rs. 15.613 million (2022: 14.728 million) to the staff provident fund (maintained by the associated company) and charge in respect of unfunded gratuity scheme amounting to Rs. 18.008 million (2022: Rs. 14.611 million).

29 ADMINISTRATIVE AND DISTRIBUTION EXPENSES

	Note	2023	2022
		(Rupees)	
Salaries, wages and other staff benefits	29.1	192,064,318	174,961,481
Vehicle running costs		33,474,697	20,441,907
Travelling and conveyance		2,788,893	2,114,553
Depreciation expense	5.1	50,964,521	42,673,731
Amortisation expense	6.1	456,389	456,389
Legal and professional charges		15,613,819	21,555,078
Auditors' remuneration	29.3	3,904,720	4,135,320
Telephone, postage and fax charges		9,071,511	8,201,733
Advertisement and sales promotion		399,627	179,920
Printing and stationery		7,002,615	6,686,368
Insurance cost - vehicles		1,305,549	965,619
Training, meetings and tender participation		956,430	2,311,214
Donations	29.2	1,610,000	1,320,000
Software development		3,343,112	1,224,003
Entertainment		6,826,479	5,139,245
Utilities		9,665,494	7,490,267
Security		7,508,371	5,696,797
Miscellaneous		2,817,428	2,923,524
		349,773,973	308,477,149

29.1 This includes contribution of Rs. 6.957 million (2022: Rs. 6.446 million) to the staff provident fund (maintained by the associated company) and charge in respect of unfunded gratuity scheme amounting to Rs. 12.325 million (2022: Rs. 9.350 million).

29.2 Donations

Donations were paid to the following organisations:

	2023	2022
	(Rupees)	
Aab The Need Of Life	-	100,000
Aashiyana Welfare Society	65,000	50,000
Al-Madad Welfare Society	65,000	50,000
Al-Quresh Welfare Society	65,000	50,000
Anjuman-e- Hasani Donation	-	50,000
Burhani Medical Welfare Association	150,000	150,000
Dua Foundation	50,000	-
Eye Sight Trust	35,000	20,000
Fatima Kidney Centre	65,000	100,000
FOAP Donation on a/c of Karachi Welfare Trust	100,000	-
Health Education Livelihood Promoters	65,000	50,000
Healthcare and Social Welfare	65,000	50,000
Islamic Educational & Welfare Society	100,000	75,000
Karachi Relief Trust	200,000	-
Koohi Goth Hospital	125,000	125,000
Malir Social Welfare Organization	65,000	50,000
Markaz-e-Umeed	65,000	50,000
Muhammadi Blood Bank	50,000	50,000
Muhammadi Hematology	50,000	-
NBFI and Map Donation	-	150,000
Nigahban Foundation	65,000	50,000
Rehman Foundation	-	50,000
Roshan Pakistan Academy	100,000	-
Umeed Gah Rehabilitation	65,000	50,000
	1,610,000	1,320,000

The Directors and their spouses of the Modaraba Management Company do not have any interest in the above donees.

29.3 Auditors' remuneration

	2023	2022
	(Rupees)	
Audit fee	907,500	825,000
Fee for review of half yearly financial statements	603,720	500,000
Fee for audit of special purpose financial statements	-	900,000
Fee for review of the statement of compliance with the best practices of the Code of Corporate Governance	148,500	135,000
Fee for review services	950,000	550,000
Other statutory certifications	495,000	450,000
Out of pocket expenses	800,000	775,320
	3,904,720	4,135,320

30 FINANCE COST

Financial cost on diminishing Musharaka financing arrangement	169,685,151	104,263,699
Financial cost on running musharaka financing arrangement	2,660,868	2,247,939
Finance cost on long term borrowing	2,922,151	16,151,589
Finance cost on liability against right-of-use assets	3,592,511	5,165,993
Bank charges and commission	2,348,625	2,712,509
	181,209,306	130,541,729

31 OTHER INCOME - NET

Profit on deposit accounts with bank	7,441,063	6,721,242
Dividend Income	5,624,001	-
Income from disposal of scrap	47,656,893	39,458,890
Gain / (loss) on disposal of fixed assets and Ijarah assets	16,141,477	(10,432,269)
Amortisation of deferred government grant	1,934,864	10,730,392
Reversal of provision for compensated absences	3,584,646	-
Exchange loss	(602,481)	(5,902,676)
Bad debt recovered	-	40,000,000
	81,780,463	80,575,579

32 TAXATION

	2023	2022
	(Rupees)	
- Current	374,635,987	261,324,670
- Prior	76,037,461	-
- Deferred	217,289,398	82,335,818
	667,962,846	343,660,488

32.1 Relationship between tax expense and accounting profit

	2023
	(Rupees)
Accounting profit before tax	969,346,581
Tax rate	29%
Tax on accounting profit	281,110,508
Tax effect of:	
Permanent differences	16,365,473
Excess of MTR over NTR	127,751,041
Prior year tax adjustment	76,037,461
Tax effect of change in tax rate	166,698,363
	667,962,846

33 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

	2023	2022
	(Rupees)	
Profit for the year after taxation	301,383,735	384,845,145
	(Number of certificates)	
Weighted average number of ordinary certificates outstanding during the year	220,000,000	220,000,000
	(Rupees)	
Earnings per certificate - basic and diluted	1.37	1.75

33.1 No figure for diluted earnings per certificate has been presented as the Modaraba has not issued any instrument which would have a dilutive impact on basic earnings per certificate when exercised.

34 REMUNERATION OF EXECUTIVES

	2023			2022		
	Key management personnel	Other employees	Total	Key management personnel	Other employees	Total
	(Rupees)					
Basic salary	26,964,513	27,838,700	54,803,213	24,851,616	23,660,130	48,511,746
Bonus	8,220,000	7,201,667	15,421,667	6,420,000	6,235,533	12,655,533
House rent allowance	12,134,037	12,527,424	24,661,461	11,183,232	10,647,074	21,830,306
Utility allowance	2,696,453	2,783,875	5,480,328	2,485,165	2,366,023	4,851,188
Provident fund	2,612,576	2,783,870	5,396,446	2,485,158	2,366,013	4,851,171
Gratuity	5,531,095	5,810,564	11,341,659	4,956,297	3,707,108	8,663,405
Contribution to Employees' Old Age Benefit	145,500	300,000	445,500	74,880	138,060	212,940
Medical benefits	3,482,917	3,600,833	7,083,750	3,210,000	3,056,100	6,266,100
	61,787,091	62,846,933	124,634,024	55,666,348	52,176,041	107,842,389
Number of persons	10	17	27	8	15	23

34.1 Certain executives and officers are also provided free use of vehicles maintained by the Modaraba and fuel allowance. Above expenses do not include the remuneration of the Chief Executive Officer.

35 PROVIDENT FUND RELATED DISCLOSURE

The investments out of provident fund have been made in accordance with the requirements of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

36 FINANCIAL INSTRUMENTS BY CATEGORY

	2023			
	Amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
Financial assets				
Cash and Bank balances	152,833,955	-	-	152,833,955
Investment	-	-	31,934,583	31,934,583
Ijarah rentals receivables	1,158,130,313	-	-	1,158,130,313
Operation and maintenance income receivables	32,353,136	-	-	32,353,136
Deposits and other receivables	24,899,138	-	-	24,899,138
Security deposits	231,009	-	-	231,009
	1,368,447,551	-	31,934,583	1,400,382,134
Financial liabilities				
Creditors, accrued and other liabilities	1,002,576,376	-	-	1,002,576,376
Payable to the Modaraba Management Company	10,341,384	-	-	10,341,384
Diminishing musharakah financing payable - secured	839,595,605	-	-	839,595,605
Long-term borrowings and deferred grant	-	-	-	-
Liability against right-of-use assets	30,738,708	-	-	30,738,708
Unclaimed dividend	797,591	-	-	797,591
	1,884,049,664	-	-	1,884,049,664
	2022			
	Amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
Financial assets				
Cash and Bank balances	290,423,919	-	-	290,423,919
Investment	-	-	-	-
Ijarah rentals receivables	950,212,604	-	-	950,212,604
Operation and maintenance income receivables	21,574,924	-	-	21,574,924
Deposits and other receivables	24,427,840	-	-	24,427,840
Long-term security deposits	50,000	-	-	50,000
	1,286,689,287	-	-	1,286,689,287
Financial liabilities				
Creditors, accrued and other liabilities	1,102,955,855	-	-	1,102,955,855
Payable to the Modaraba Management Company	10,519,525	-	-	10,519,525
Diminishing musharakah financing payable - secured	956,381,734	-	-	956,381,734
Long-term borrowings	101,747,694	-	-	101,747,694
Liability against right-of-use assets	47,508,704	-	-	47,508,704
Unclaimed dividend	1,246,177	-	-	1,246,177
	2,220,359,689	-	-	2,220,359,689

37 FINANCIAL RISK MANAGEMENT

Risk management framework

The Modaraba's objective in managing risk is the creation and protection of certificate holders' value. Risk is inherent in the Modaraba's activities, but it is managed through monitoring and controlling activities which are primarily set up based on limits established by the Management Company, the Modaraba's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Modaraba as well as the level of the risk that the Modaraba is willing to accept. The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Modaraba's risk management framework.

The activities of the Modaraba expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

37.1 Market Risk

Market risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of the changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk comprise of three types of risks : currency risk, profit rate risk and price risk.

Management of market risks

The Management Company manages market risk by monitoring its financial instruments as per the internal risk management policies and investment guidelines approved by the Board of Directors of the Management Company.

The Modaraba is exposed to currency risk, profit rate risk and price risk.

37.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign currency exchange rates. The Modaraba primarily has foreign currency exposure in Japanese Yen (JPY). As at June 30, 2023 the Modaraba's exposure to foreign currency risk in respect of its obligation was JPY 8,080,000 (June 30, 2022: USD 536,939). Net exposure is payable by the Modaraba in Rupees at the rate on which these are settled by the Modaraba.

The following significant exchange rates were applied during the year:

	Average rates		Reporting date rate	
	2023	2022	2023	2022
Rupees / Japanese Yen	1.81	1.51	1.99	1.50
Rupees / US Dollar	248.04	177.45	286.14	204.63

Sensitivity risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. At the reporting date, the profit rate profile of the Modaraba's profit bearing financial instruments and the periods in which these will mature are as follows (based on the earlier of repricing and contractual maturity):

2023

Effective yield / profit rate	2023							Total	
	Upto one month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years		Not exposed to yield / profit
3.40% to 13.50%	89,277,356	-	-	-	-	-	-	63,556,599	152,833,955
	-	-	-	-	-	-	-	31,934,583	31,934,583
	-	-	-	-	-	-	-	1,158,130,313	1,158,130,313
	-	-	-	-	-	-	-	32,353,136	32,353,136
	-	-	-	-	-	-	-	24,899,138	24,899,138
	-	-	-	-	-	-	-	231,009	231,009
	89,277,356	-	-	-	-	-	-	1,311,104,778	1,400,382,134
	-	-	-	-	-	-	-	1,002,576,376	1,002,576,376
	-	-	-	-	-	-	-	10,341,384	10,341,384
11.28% to 23.57%	-	448,613,320	390,982,285	-	-	-	-	-	839,595,605
	-	-	-	-	-	-	-	-	-
9.59%	1,450,928	2,901,856	4,453,585	9,634,395	12,297,944	-	-	797,591	30,738,708
	1,450,928	451,515,176	395,435,870	9,634,395	12,297,944	-	-	1,013,715,351	1,884,049,664
	87,826,428	(451,515,176)	(395,435,870)	(9,634,395)	(12,297,944)	-	-	297,389,427	(483,667,530)
On-balance sheet gap									
Off-balance sheet financial instruments									
Financial liabilities									
Guarantees from banks on behalf of the Modaraba	-	-	-	-	-	-	-	16,097,784	16,097,784
Off-balance sheet gap	-	-	-	-	-	-	-	16,097,784	16,097,784
Total interest rate sensitivity gap	87,826,428	(451,515,176)	(395,435,870)	(9,634,395)	(12,297,944)	-	-	313,487,211	(467,569,746)
Cumulative interest rate sensitivity gap	87,826,428	(363,688,748)	(759,124,618)	(768,759,013)	(781,056,957)	(781,056,957)	(781,056,957)	(467,569,746)	

On-balance sheet financial instruments**Financial assets**

Cash and bank balances
Investment
Ijarah rentals receivables
Operation and maintenance
Income receivables
Deposits and other receivables
Security deposits
Sub total

Financial liabilities

Creditors, accrued, and other liabilities
Payable to the Modaraba
Management Company
Diminishing musharakah financing payable - secured
Long-term borrowings
Lease Liability against right-of-use assets
Unclaimed dividend
Sub total

On-balance sheet gap**Off-balance sheet financial instruments****Financial liabilities**

Guarantees from banks on behalf of the Modaraba

Off-balance sheet gap**Total interest rate sensitivity gap****Cumulative interest rate sensitivity gap**

2022

	Effective yield / profit rate	Upto one month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Not exposed to yield / profit	Total
(Rupees)										
On-balance sheet financial instruments										
Financial assets										
Cash and bank balances	3.00% to 7.25%	161,994,889	-	-	-	-	-	-	128,429,030	290,423,919
Investment		-	-	-	-	-	-	-	-	-
Ijarah rentals receivables		-	-	-	-	-	-	-	950,212,604	950,212,604
Operation and maintenance income receivables		-	-	-	-	-	-	-	21,574,924	21,574,924
Deposits and other receivables		-	-	-	-	-	-	-	24,427,840	24,427,840
Long-term security deposits		-	-	-	-	-	-	-	50,000	50,000
Sub total		161,994,889	-	-	-	-	-	-	1,124,694,398	1,286,689,287
Financial liabilities										
Creditors, accrued, and other liabilities payable to the Modaraba Management Company		-	-	-	-	-	-	-	1,102,955,855	1,102,955,855
Diminishing musharakah financing payable - secured	7.88% to 16.14%	-	674,659,286	281,722,448	-	-	-	-	-	956,381,734
Long-term borrowings	9.35% to 10.28%	-	101,747,694	-	-	-	-	-	-	101,747,694
Lease Liability against right-of-use assets	8.25% to 10.01%	1,476,521	3,007,534	4,567,055	7,718,886	30,738,708	-	-	-	47,508,704
Unclaimed dividend		-	-	-	-	-	-	-	1,246,177	1,246,177
Sub total		1,476,521	779,414,514	286,289,503	7,718,886	30,738,708	-	-	1,114,721,557	2,220,359,689
On-balance sheet gap		160,518,368	(779,414,514)	(286,289,503)	(7,718,886)	(30,738,708)	-	-	9,972,841	(933,670,402)
Off-balance sheet financial instruments										
Financial liabilities										
Guarantees from banks on behalf of the Modaraba		-	-	-	-	-	-	-	109,991,954	109,991,954
Off-balance sheet gap		-	-	-	-	-	-	-	109,991,954	109,991,954
Total interest rate sensitivity gap		160,518,368	(779,414,514)	(286,289,503)	(7,718,886)	(30,738,708)	-	-	119,964,795	(823,678,448)
Cumulative interest rate sensitivity gap		160,518,368	(618,896,146)	(905,185,649)	(912,904,535)	(943,643,243)	(943,643,243)	(943,643,243)	(823,678,448)	(823,678,448)

The Modaraba's profit rate exposure arises on saving accounts with banks, and Diminishing Musharakah Financing. At the balance sheet date the profit rate profile of the Modaraba's profit-bearing financial instrument was as follows:

	Note	Carrying amount	
		2023	2022
(Rupees)			
Variable rate instruments			
Financial assets			
Saving accounts with banks	13	89,277,356	161,994,889
Financial liabilities			
Diminishing Musharakah financing payable - secured	19	(839,595,605)	(956,381,734)
Fixed rate instruments			
Financial liabilities			
Liability against right-of-use assets	18	30,738,708	47,508,704
Long term borrowings and deferred grants	20	-	101,747,694
		30,738,708	149,256,398

Fair value sensitivity analysis for fixed rate instruments

The Modaraba does not have any fixed rate financial assets and liabilities which are classified at fair value through profit or loss. Therefore a change in profit rate at the end of the reporting year would not affect profit or loss.

Cash flow sensitivity for variable profit rate instruments

In case of 100 basis points increase / decrease in KIBOR on the last repricing date of variable rate instruments, (other than savings accounts) with all other variables held constant, the profit and loss and equity of the Modaraba would be higher / lower by Rs. 7.503 million (June 30, 2022: Rs. 7.944 million).

37.1.2 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The modaraba is exposed to unfavorable changes in the fair value of investment as a result of changes in price of security. The fair value and average cost of units of mutual fund as at June 30, 2023 is Rs. 31,934,583 (June 30, 2022: Rs. Nil).

37.2 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Modaraba, resulting in a financial loss to the Modaraba. At the year end it arises principally from Ijarah rental receivables, operational and maintenance income receivables, bank balances, deposits and other receivables.

Management of credit risk

The Modaraba's policy is to enter into financial contracts in accordance with its internal risk management policies and the requirements of the Modaraba Regulations, 2021 issued by the SECP. The Modaraba seeks to manage its credit risk exposure through diversification of leasing / Ijarah activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. Modaraba also obtains security deposits when appropriate. Cash is held only with reputable banks with high quality credit worthiness.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date is as follows:

	Note	2023	2022
		(Rupees)	
Bank balances	13	152,296,144	290,138,627
Investment		31,934,583	-
Ijarah rentals receivables		1,158,130,313	950,212,604
Operation and maintenance income receivables		32,353,136	21,574,924
Deposits and other receivables		24,899,138	24,427,840
Security deposits		231,009	50,000
Total carrying value (and maximum exposure to credit risk)		1,399,844,323	1,286,403,995

37.2.1 Credit risk ratings and collaterals held

37.2.1.1 Credit risk rating of the banks and their respective balances are given below:

Rating	2023	2022
	(Rupees)	
AAA	100,388,764	202,430,067
AA+	42,094,568	61,286,400
AA-	4,015,832	-
AA	3,598,680	2,182,316
A+	-	24,239,844
A	2,198,300	-
	<u>152,296,144</u>	<u>290,138,627</u>

37.2.1.2 Collaterals

The Modaraba does not hold any collateral from the counter parties against balances with banks and these are unsecured. The assets leased out by the Modaraba under ijarah arrangements are secured as the title to the asset is held by the Modaraba. An amount of Rs. Nil (June 30, 2022: Rs. 1.675 million) is also kept as security deposits against these arrangements.

37.2.2 Impairment losses and past due balances

The age analysis of the rental receivables (against ijarah rentals and operation and maintenance income) on the date of reporting is as follows:

	2023		2022	
	Gross	Allowance for receivable losses	Gross	Allowance for receivable losses
	(Rupees)			
Not past due	891,286,530	79,301,017	716,672,555	26,854,461
Past due 1-90 days	310,503,243	83,780,809	247,290,571	39,220,164
Past due 91 days to 180 days	100,150,599	46,511,210	115,275,076	58,636,244
Past due 181 days to one year	93,245,505	42,784,598	82,312,337	66,556,130
More than one year	92,694,290	45,019,084	115,001,005	113,497,017
Total	<u>1,487,880,167</u>	<u>297,396,718</u>	<u>1,276,551,544</u>	<u>304,764,016</u>

37.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect groups of counterparties whose aggregate credit exposure is significant in relation to the Modaraba's total credit exposure. Concentrations of credit risk indicate the relative sensitivity of the Modaraba's performance to developments affecting a particular industry.

Details of the Modaraba's concentration of credit risk of financial instruments by industrial distributions are as follows:

	2023		2022	
	(Rupees)	%	(Rupees)	%
Airlines	13,678,107	0.98%	5,901,557	0.46%
Automobiles	1,941,654	0.14%	3,491,446	0.27%
Banks, Financial Institutions & Mutual Funds	185,611,255	13.26%	290,439,701	22.58%
Cement	8,001,562	0.57%	4,059,507	0.32%
Chemicals And Pharmaceuticals	44,713,991	3.19%	16,868,157	1.31%
Construction	118,536,650	8.47%	112,314,408	8.73%
Dairy & Poultry	10,891,560	0.78%	7,355,141	0.57%
Edible Oil	148,557	0.01%	13,687	0.00%
Education	1,049,301	0.07%	12,064	0.00%
Electrical	5,761,535	0.41%	8,516,817	0.66%
Energy, Oil And Gas	222,082,097	15.86%	172,344,114	13.40%
Engineering	5,217,158	0.37%	13,743,765	1.07%
Event Management	941,715	0.07%	-	0.00%
Fast Moving Consumer Goods (FMCG)	47,046,046	3.36%	45,452,053	3.53%
Food And Beverages	66,709,029	4.77%	52,270,674	4.06%
Healthcare	37,430,336	2.67%	16,836,582	1.31%
Hotel	-	0.00%	39,608	0.00%
Individuals	-	0.00%	123,001	0.01%

	2023		2022	
	(Rupees)	%	(Rupees)	%
Information Technology and Communication	4,593,504	0.33%	2,122,293	0.16%
Logistics	12,436,370	0.89%	7,077,327	0.55%
Manufacturing	9,644,100	0.69%	16,150,515	1.26%
Media	4,535,876	0.32%	6,113,635	0.48%
Mining	1,005,590	0.07%	-	0.00%
Packaging	22,682,780	1.62%	23,049,705	1.79%
Paper And Board	2,513,808	0.18%	7,395,312	0.57%
Plastic Industries	95,947	0.01%	1,675,728	0.13%
Securities depository	231,009	0.02%	50,000	0.00%
Sugar	849,083	0.06%	1,294,708	0.10%
Textile And Cotton	71,323,875	5.10%	76,498,577	5.95%
Transport	291,456	0.02%	-	0.00%
Tobacco	30,122,019	2.15%	27,936,144	2.17%
Warehousing	459,971	0.03%	263,962	0.02%
Other	469,298,382	33.53%	366,993,807	28.53%
	1,399,844,323	100%	1,286,403,995	100%

37.3 Liquidity Risk

Liquidity risk is the risk that the Modaraba will encounter difficulty in meeting its financial obligations arising from its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner disadvantageous to the Modaraba. Liquidity risk arises because of the possibility that the Modaraba could be required to pay its liabilities earlier than expected.

Management of liquidity risk

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 stressed conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation. In an urgent situation, the Modaraba may also opt for borrowing funds from its related parties and even from other banks.

Maturities of assets and liabilities - Based on contractual maturity of the financial assets and financial liabilities of the Modaraba

	2023					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	Over five years
	(Rupees)					
Non-derivative financial assets						
Cash and bank balances	152,833,955	152,833,955	152,833,955	-	-	-
Ijarah rentals receivables	1,158,130,313	1,158,130,313	1,158,130,313	-	-	-
Operation and maintenance income receivables	32,353,136	32,353,136	32,353,136	-	-	-
Deposits and other receivables	24,899,138	24,899,138	24,899,138	-	-	-
Short Term Security Deposit	231,009	231,009	231,009	-	-	-
	1,368,447,551	1,368,447,551	1,368,447,551	-	-	-
Non-derivative financial liabilities						
Creditors, accrued and other liabilities	1,002,576,376	1,002,576,376	1,002,576,376	-	-	-
Payable to the Modaraba Management Company	10,341,384	10,341,384	10,341,384	-	-	-
Diminishing musharakah financing payable - secured	839,595,605	839,595,605	73,049,556	46,035,292	720,510,757	-
Long term borrowings	-	-	-	-	-	-
Lease Liability against right-of-use assets	30,738,708	32,862,500	8,806,369	11,543,631	12,512,500	-
Unclaimed dividend	797,591	797,591	797,591	-	-	-
	1,884,049,664	1,886,173,456	1,095,571,276	57,578,923	733,023,257	-
On-balance sheet gap	(515,602,113)	(517,725,905)	272,876,275	(57,578,923)	(733,023,257)	-

	2022					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	Over five years
	(Rupees)					
Non-derivative financial assets						
Cash and bank balances	290,423,919	290,423,919	290,423,919	-	-	-
Ijarah rentals receivables	950,212,604	950,212,604	950,212,604	-	-	-
Operation and maintenance income receivables	21,574,924	21,574,924	21,574,924	-	-	-
Deposits and other receivables	24,427,840	24,427,840	24,427,840	-	-	-
Long term security deposit	50,000	50,000	50,000	-	-	-
	1,286,689,287	1,286,689,287	1,286,689,287	-	-	-
Non-derivative financial liabilities						
Creditors, accrued and other liabilities	1,102,955,855	1,102,955,855	1,102,955,855	-	-	-
Payable to the Modaraba Management Company	10,519,525	10,519,525	10,519,525	-	-	-
Diminishing musharakah financing payable - secured	956,381,734	956,381,734	228,643,941	181,956,788	545,781,005	-
Long term borrowings	101,747,694	101,747,694	101,747,694	-	-	-
Lease Liability against right-of-use assets	47,508,704	53,225,007	9,061,117	11,301,390	32,862,500	-
Unclaimed dividend	1,246,177	1,246,177	1,246,177	-	-	-
	2,220,359,689	2,226,075,992	1,454,174,309	193,258,178	578,643,505	-
On-balance sheet gap	(933,670,402)	(939,386,705)	(167,485,022)	(193,258,178)	(578,643,505)	-

The above maturity profile has been prepared in accordance with International Financial Reporting Standard 7, Financial Instruments: Disclosures, based on contractual maturities. Consequently, all demand assets and liabilities such as current accounts and saving accounts are shown as having a maturity up to six months. However, based on historical behavior, management is of the opinion that the possibility of these inflows / outflows actually occurring entirely within six months is remote, as these flows normally occur over a longer period of time.

38 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Unappropriated profit/(loss)	Unclaimed dividend	Diminishing musharakah financing availed	Long term borrowings	Lease liability against right-of-use assets	Total
	(Rupees)					
Balance as at 1 July 2022	(468,339,791)	1,246,177	956,381,734	101,747,694	47,508,704	638,544,518
Changes from financing cash flows						
Repayment of Diminishing musharakah	-	-	(583,906,043)	-	-	(583,906,043)
Proceeds from Diminishing musharakah	-	-	467,119,914	-	-	467,119,914
Repayment of Long term borrowings	-	-	-	(99,812,830)	-	(99,812,830)
Profit distribution to the certificate holders	-	-	-	-	-	-
Unclaimed dividend paid	-	(448,586)	-	-	-	(448,586)
Repayment of lease liability against right-of-use assets	-	-	-	-	(16,769,996)	(16,769,996)
Total changes from financing activities	-	(448,586)	(116,786,129)	(99,812,830)	(16,769,996)	(233,817,541)
Other changes						
Addition of lease liability during the year	-	-	-	-	-	-
Amortisation of deferred grant	-	-	-	(1,934,864)	-	(1,934,864)
Total comprehensive income for the year	301,747,884	-	-	-	-	301,747,884
Transfer to statutory reserve (at 20% of the profit for the year)	-	-	-	-	-	-
Total equity related other changes	301,747,884	-	-	(1,934,864)	-	299,813,020
Balance as at 30 June 2023	(166,591,907)	797,591	839,595,605	-	30,738,708	704,539,997

39 OPERATIONAL RISKS

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Modaraba's operations either internally within the Modaraba or externally at the Modaraba's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Modaraba's activities.

The Modaraba's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for certificate holders.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors of the Management Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

40 CAPITAL RISK MANAGEMENT

The Modaraba's prime objective when managing capital is to safeguard the Modaraba's ability to continue as a going concern so that it can continue to provide optimum returns to its certificate holders' and benefits of other stake holders and to maintain a strong capital base to support the sustained development of its businesses.

The Modaraba manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Modaraba may adjust the amount of profit paid to certificate holders or issue new certificates.

The Modaraba is not subject to externally imposed capital requirements.

41 RELATED PARTY TRANSACTIONS

Parties which are related to the Modaraba as per the requirements of in pursuit of IAS 24 'Related Party Disclosures' and includes associates, directors, staff retirement benefit plans and key management personnel. Remuneration of key management personnel are in accordance with the terms of employment. Dividend payout is recorded at the rate approved by the Modaraba Management Company. The Management Company's remuneration is in accordance with the rate mentioned in the law. Contributions to the Provident Fund are made in accordance with the service rules. Other transactions are at agreed rates.

41.1 Details of transactions with related parties (other than those which have been disclosed else where in these financial statements):

Name of the related party	Relationship and percentage shareholding	Transactions during the year	2023	2022
			(Rupees)	
Allied Engineering Management Company (Private) Limited (the Modaraba Management Company)	Management Company	Modaraba Management Company's remuneration	10,000,000	10,000,000
		Payment made to the Modaraba Management Company (including management fee) during the year	11,300,000	11,300,000
		Dividend paid during the year	-	65,999,996
Allied Engineering and Services (Private) Limited (the holding company of the Modaraba Management Company)	Parent Company	Purchase of assets	43,312,545	82,127,736
		Purchase of parts and services	286,493,737	437,373,998
		Income from ijarah assets	4,329,357	13,354,663
		Expenses charge during the year	22,975,267	16,375,545
		Receivable from AESL against customer deposits	1,851,450	1,037,028
		Dividend paid during the year	-	227,896,610
Apex Machinery (Private) Limited	Associated Company	Purchase of parts and services	16,887,537	24,021,093
		Expenses charge during the year	-	20,000
Allied E-Commerce Solutions (Private) Limited	Associated Company	Expenses charge during the year	246,516	1,484,517
		Income from Ijarah Assets	-	1,528,422
		Payments received during the year	1,528,422	-
Allied Engineering and Services (Private) Limited - Staff Provident Fund	Provident fund	Contribution to the staff provident fund during the year	22,569,832	21,610,453
		Dividend paid during the year	-	5,602,302
Key management personnel (Other than the CEO and the employees of the Management Company)	Key Management Personnel	Remuneration of the key management personnel during the year	53,643,420	48,224,893
		Dividend paid during the year	-	173,766
		Contribution to the staff provident fund during the year	2,612,576	2,485,158
		Charge for staff gratuity scheme during the year	5,531,095	4,956,297
Directors	Directors of the management company	Dividend paid during the year	-	13,315,873

41.2 Balances with related parties (other than those which have been disclosed else where in these financial statements):

Name of the related party	Relationship and percentage shareholding	Year-end balances	2023	2022
			(Rupees)	
Allied Engineering Management Company (Private) Limited (Modaraba Management Company)	Management Company	Outstanding certificates 43,999,997 (June 30, 2022: 43,999,997)	439,999,970	439,999,970
		Payable to the Modaraba Management Company	10,341,384	10,519,525
Allied Engineering and Services (Private) Limited (the holding company of the Modaraba Management Company)	Parent Company	Outstanding certificates 163,196,645 (June 30, 2022: 151,931,073)	1,631,966,450	1,519,310,730
		Payable against purchase of parts and services	582,492,588	670,021,629
Apex Machinery (Private) Limited	Associated Company	Payable against purchase of parts	5,871,912	18,656,476
Allied E-Commerce Solutions (Private) Limited	Associated Company	Receivable against miscellaneous expenses	1,676,242	2,958,148
Allied Engineering and Services (Private) Limited - Staff Provident Fund	Provident Fund	Outstanding certificates Nil (June 30, 2022: 3,734,868)	-	37,348,680
Key Management Personnel	Key Management	Outstanding certificates 254 (June 30, 2022: 136,844)	2,540	1,368,440
Directors	Directors of Management Company	Outstanding certificates 5,973,845 (June 30, 2022: 8,877,248)	59,738,450	88,772,480

42 SEGMENTAL INFORMATION

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

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

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

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

As disclosed in note 1.3 to these financial statements, the management of Modaraba has approved the restructuring of the Modaraba, upon which the results of the logistics business are reviewed separately by the chief operating decision maker for the allocation of resources, Therefore, the logistics business has been shown separately from other ijarah rental businesses. Previously, it was included in the ijarah rental business.

The Modaraba is domiciled in Pakistan. All of the Modaraba's income is from rental activities within Pakistan.

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

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

	2023				2022					
	Ijarah Rentals- Others	Operation and Maintenance	Total Rental Business	Logistics Business	Total	Ijarah Rentals- Others	Operation and Maintenance	Total Rental Business	Logistics Business	Total
Segment revenues / profits	(Rupees)									
Revenue	3,317,700,169	195,313,319	3,513,013,488	1,595,578,950	5,108,592,438	3,183,545,060	151,113,838	3,334,658,898	1,140,308,235	4,474,967,133
Operating Expenses	(2,359,273,371)	(138,890,644)	(2,498,164,014)	(1,134,643,499)	(3,632,807,513)	(2,301,069,147)	(109,225,214)	(2,410,294,361)	(824,215,787)	(3,234,510,148)
Gross Profit	958,426,798	56,422,675	1,014,849,474	460,935,451	1,475,784,925	882,475,913	41,888,624	924,364,537	316,092,448	1,240,456,985
Finance Cost	(117,683,717)	(6,928,051)	(124,611,768)	(56,597,538)	(181,209,306)	(92,868,945)	(4,408,225)	(97,277,170)	(33,264,559)	(130,541,729)
Administrative Expenses	(227,155,559)	(13,372,669)	(240,528,228)	(109,245,745)	(349,773,973)	(219,454,328)	(10,416,873)	(229,871,201)	(78,605,948)	(308,477,149)
Other expenses	(37,170,771)	(2,188,247)	(39,359,018)	(17,876,510)	(57,235,528)	(109,207,462)	(5,183,768)	(114,391,230)	(39,116,823)	(153,508,053)
Other income	53,111,118	3,126,656	56,237,775	25,542,688	81,780,463	57,322,429	2,720,933	60,043,362	20,532,217	80,575,579
Profit before tax	629,527,869	37,060,364	666,588,235	302,758,346	969,346,581	518,267,607	24,600,691	542,868,298	185,637,335	728,505,633
Taxation	(433,798,639)	(25,537,766)	(459,336,405)	(208,626,441)	(667,962,846)	(244,484,175)	(11,604,969)	(256,089,144)	(87,571,344)	(343,660,488)
Profit after taxation	195,729,230	11,522,598	207,251,830	94,131,905	301,383,735	273,783,432	12,995,722	286,779,154	98,066,991	384,845,145

	2023				2022					
	Ijarah Rentals- Others	Operation and Maintenance	Total Rental Business	Logistics Business	Total	Ijarah Rentals- Others	Operation and Maintenance	Total Rental Business	Logistics Business	Total
Segment assets and liabilities										
Assets										
Ijarah assets	4,873,931,189	-	4,873,931,189	1,315,522,399	6,189,453,588	4,541,293,777	-	4,541,293,777	1,405,367,910	5,946,661,687
Fixed assets - in own use	168,131,583	6,172,480	174,304,063	30,073,153	204,377,216	168,255,577	1,656,723	169,912,300	20,284,816	190,197,116
Intangible asset	114,097	-	114,097	-	114,097	570,486	-	570,486	-	570,486
Short term security deposits	231,009	-	231,009	-	231,009	50,000	-	50,000	-	50,000
Spare parts	344,581,973	-	344,581,973	13,053,752	357,635,725	276,867,210	-	276,867,210	4,444,422	281,311,632
Ijarah rentals receivable	720,652,645	-	720,652,645	437,477,668	1,158,130,313	633,409,042	-	633,409,042	316,803,562	950,212,604
Operation and maintenance income receivable	-	32,353,136	32,353,136	-	32,353,136	-	21,574,924	21,574,924	-	21,574,924
Advances, deposits, prepayments and other receivable	430,032,182	439,500	430,471,682	26,896,054	457,367,736	580,928,591	165,135	581,093,726	44,694,598	625,788,324
Investment	31,934,583	-	31,934,583	-	31,934,583	-	-	-	-	-
Cash and bank balances	152,833,955	-	152,833,955	-	152,833,955	290,423,919	-	290,423,919	-	290,423,919
	6,722,443,216	38,965,116	6,761,408,332	1,823,023,026	8,584,431,358	6,491,798,602	23,396,782	6,515,195,384	1,791,595,308	8,306,790,692
Liabilities										
Deferred liability for staff gratuity	130,585,253	15,521,540	146,106,793	15,168,375	161,275,168	107,871,681	12,894,658	120,766,339	11,989,028	132,755,367
Compensated absences	19,566,072	670,261	20,236,333	3,612,654	23,848,987	22,243,543	2,122,883	24,366,426	3,399,592	27,766,018
Liability against right-of-use assets	30,738,708	-	30,738,708	-	30,738,708	45,708,704	-	45,708,704	1,800,000	47,508,704
Diminishing musharaka financing payable - secured	793,068,757	-	793,068,757	46,526,848	839,595,605	821,577,496	-	821,577,496	134,804,238	956,381,734
Long term borrowings and deferred grants	-	-	-	-	-	101,747,694	-	101,747,694	-	101,747,694
Deferred tax liability	898,028,701	(8,091,631)	889,937,070	193,602,290	1,083,539,360	719,289,190	(5,824,691)	713,464,499	152,552,647	866,017,146
Other long term liabilities	27,846,976	5,427,139	33,274,115	5,959,423	39,233,538	25,791,746	3,598,900	29,390,646	5,360,441	34,751,087
Payable to the modaraba management company	10,341,384	-	10,341,384	-	10,341,384	10,519,525	-	10,519,525	-	10,519,525
Creditors, accrued and other liabilities	839,878,623	7,380,437	847,259,060	211,330,329	1,058,589,389	959,127,215	5,789,336	964,916,551	161,083,612	1,126,000,163
Contract liabilities	70,362,502	507,594	70,870,096	27,426,866	98,296,962	38,375,006	11,392	38,386,398	27,283,897	65,670,295
(advance from customers)	797,591	-	797,591	-	797,591	1,246,177	-	1,246,177	-	1,246,177
Unclaimed dividend	2,821,214,567	21,415,340	2,842,629,907	503,626,785	3,346,256,692	2,853,497,977	18,592,478	2,872,090,455	498,273,455	3,370,363,910
			3,918,778,425	1,319,396,241	5,238,147,666			3,643,104,929	1,293,321,853	4,936,426,782
Net assets										

42.2 Reconciliation of reportable segments revenues and profit or loss is as follow:

	Note	2023	2022
(Rupees)			
Revenues			
Total revenue for reportable segments	26 & 27	5,108,592,438	4,474,967,133
Other Income	31	81,780,463	80,575,579
		<u>5,190,372,901</u>	<u>4,555,542,712</u>
Profit before tax			
Total profit before tax for reportable segments		969,346,581	728,505,633
		<u>969,346,581</u>	<u>728,505,633</u>
43 CASH AND CASH EQUIVALENTS			
Cash and bank balances		152,833,955	290,423,919

44 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

44.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Modaraba to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

44.2 The following table shows the carrying amounts and fair values of all financial assets and financial liabilities, including their levels in the fair value hierarchy.

	30 June 2023							
	Carrying Value				Fair Value			
	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 2	Total
(Rupees)								
Financial assets measured at fair value								
Investment	31,934,583	-	-	31,934,583	-	31,934,583	-	-
Financial assets not measured at fair value								
Cash and bank balances	-	-	152,833,955	152,833,955	-	-	-	-
Ijarah rentals receivables	-	-	1,158,130,313	1,158,130,313	-	-	-	-
Operation and maintenance income receivables	-	-	32,353,136	32,353,136	-	-	-	-
Deposits and other receivables	-	-	24,899,138	24,899,138	-	-	-	-
Short term security deposit	-	-	231,009	231,009	-	-	-	-
	-	-	1,368,447,551	1,368,447,551	-	-	-	-
Financial liabilities not measured at fair value								
Creditors, accrued and other liabilities	-	-	1,002,576,376	1,002,576,376	-	-	-	-
Payable to the Modaraba Management Company	-	-	10,341,384	10,341,384	-	-	-	-
Diminishing musharaka	-	-	839,595,605	839,595,605	-	-	-	-
Long term borrowings	-	-	-	-	-	-	-	-
Lease liability against right-of-use assets	-	-	30,738,708	30,738,708	-	-	-	-
Unclaimed dividend	-	-	797,591	797,591	-	-	-	-
	-	-	1,884,049,664	1,884,049,664	-	-	-	-

30 June 2022							
Carrying Value				Fair Value			
Fair value through profit or loss	Fair value through OCI	Amortised cost	Total	Level 1	Level 2	Level 2	Total
(Rupees)							
Financial assets not measured at fair value							
Investment	-	-	-	-	-	-	-
Financial assets not measured at fair value							
Cash and bank balances	-	290,423,919	290,423,919	-	-	-	-
Ijarah rentals receivables	-	950,212,604	950,212,604	-	-	-	-
Operation and maintenance income receivables	-	21,574,924	21,574,924	-	-	-	-
Deposits and other receivables	-	24,427,840	24,427,840	-	-	-	-
Long term security deposit	-	50,000	50,000	-	-	-	-
	-	1,286,689,287	1,286,689,287	-	-	-	-
Financial liabilities not measured at fair value							
Creditors, accrued and other liabilities	-	1,102,955,855	1,102,955,855	-	-	-	-
Payable to the Modaraba Management Company	-	10,519,525	10,519,525	-	-	-	-
Diminishing musharaka	-	956,381,734	956,381,734	-	-	-	-
Long term borrowings	-	101,747,694	101,747,694	-	-	-	-
Lease liability against right-of-use assets	-	47,508,704	47,508,704	-	-	-	-
Unclaimed dividend	-	1,246,177	1,246,177	-	-	-	-
	-	2,220,359,689	2,220,359,689	-	-	-	-

Valuation techniques used in determination of fair values:

Item	Valuation approach and input used
Mutual Funds	The valuation has been determined based on Net asset values declared by Mutual Funds Association of Pakistan (MUFAP).

44.3 The Modaraba has not disclosed the fair values for these financial assets and financial liabilities (other than investment in mutual fund) as these are either short term in nature or repriced periodically. Therefore, their fair value is not significantly different from their carrying amounts.

45 NUMBER OF EMPLOYEES

The total number of employees as at year end were 334 (June 30, 2022: 339) and average number of employees were 336 (2022: 345).

46 GENERAL

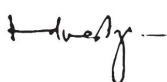
46.1 Date of authorisation

These financial statements were authorised for issue by the Board of Directors of the Management Company in its meeting held on 13 September 2023.

For Allied Engineering Management Company (Private) Limited (Modaraba Management Company)



Muhammad Saad
Chief Financial Officer



Murtaza Ahmed Ali
Chief Executive Officer

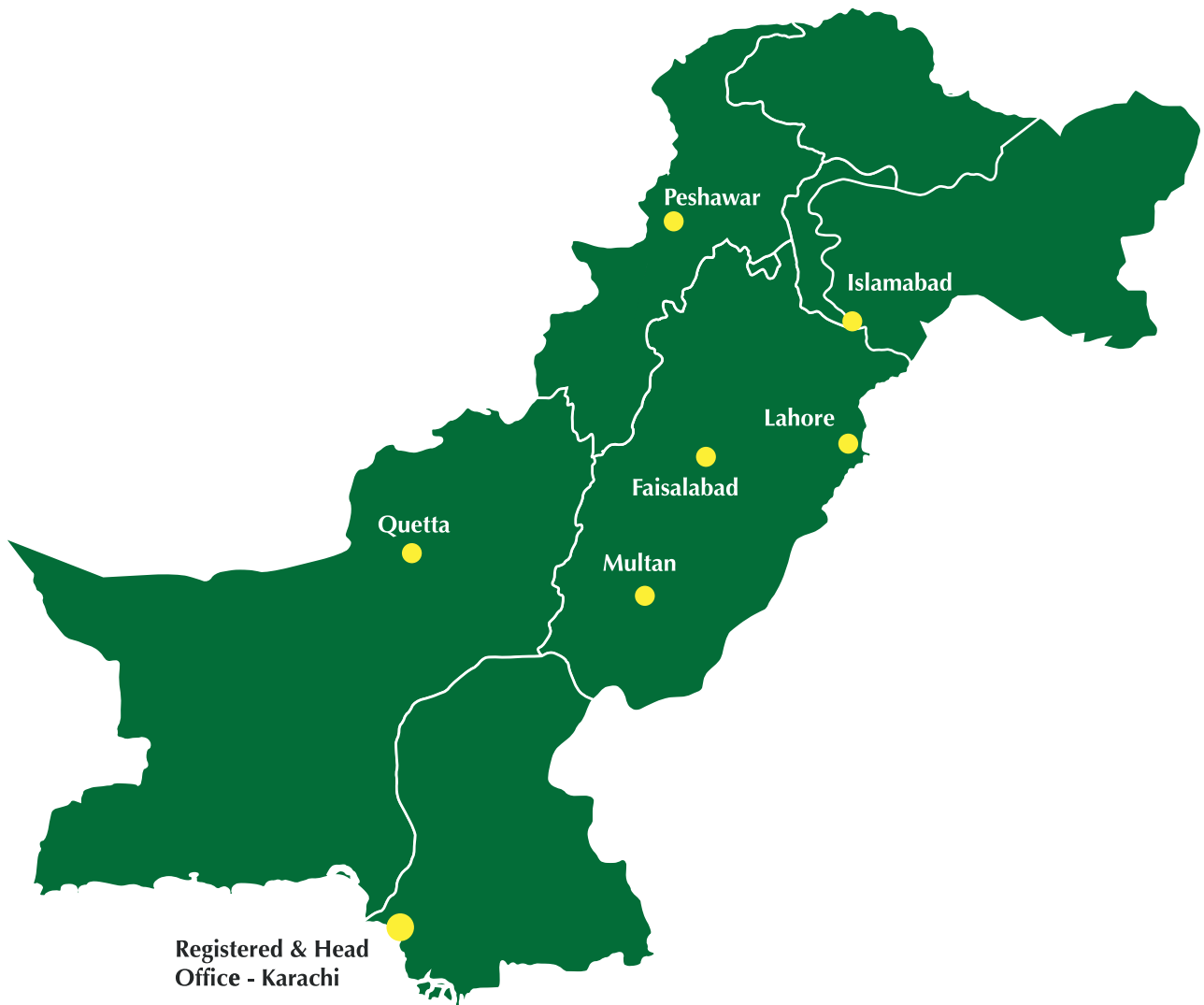


Abdul Rahim Suriya
Director



Syed Feisal Ali
Director

Offices Across Pakistan



Registered & Head Office - Karachi
Address: 21/3 Sector No. 22, Korangi Industrial Area, Karachi - 74900,
UAN : +9221 111 250 250 Tel: +9221- 35066901-13, +9221- 335113621-25
Fax: +9221- 35066915-16 E-mail: rental@aesl.com.pk Web: www.arm.com.pk

Lahore

16 KM, Multan Road, Lahore
P.O.Box 288
Tel : +9242 - 37512971,
37511618-23
Fax : +9242 - 37511617
Email : rental_lahore@aesl.com.pk

Islamabad

Allied Centre, Peshawar Road,
2KM Tarnol, Railway Crossing
Tel : +9251 - 2227000-4
Fax : +9251 - 2217527
Email : rental.isb@aesl.com.pk

Multan

Shershah Bye-Pass Road, Moaza
Hamid Pur Kanora, Multan
Tel : +9261 - 4590701- 4
Fax: +9261 - 4590709
Email: amultan@aesl.com.pk

Peshawar

House No. 178, Street No. 2,
Sector J-4, Phase II Hayatabad
Tel : +9291 - 5830445 - 6
Fax : +9291 - 5830445
Email : pesh@aesl.com.pk

Quetta

Banglow No. 5-A, Lytton Road,
Asad Jan Street, Behind Al-Khair
Hospital, Zarghoon Road
Tel : +9281 - 2822196
Email: admin@aesl.com.pk

Faisalabad

Plot 28-A, Phase 1-A,
M3 Industrial City FIEDMC
Sahianwala
Cell : +9241 - 8784643
Email: faisalabad@aesl.com.pk

سالانہ نظر ثانی اجلاس کی اطلاع

اطلاع دی جاتی ہے کہ حاملان سٹیفیکٹ کاسٹرواں نظر ثانی اجلاس جمعرات، 26 اکتوبر 2023ء بوقت 2:30 سے پہر، بمقام (رجسٹرڈ پتہ) 21/3 سیکٹر 22 کورنگی انڈسٹریل ایریا، کراچی میں منعقد کیا جا رہا ہے۔ جس کا مقصد اختتام شدہ سال 30 جون 2023ء کے دوران مضاربہ کی کارکردگی پر نظر ثانی ہے۔

حاملان سٹیفیکٹ جن کا نام 19 اکتوبر 2023ء تک الاینڈر نیٹل مضاربہ کے حاملان سٹیفیکٹ کے رجسٹر میں درج ہے۔ اس سالانہ نظر ثانی اجلاس میں شمولیت کے حقدار ہیں۔

بحکم بورڈ

مزل طارق

کمپنی سیکریٹری

13 ستمبر 2023ء

نوٹ:

1- سٹیفیکٹ ٹرانسفر کی کتاب سالانہ نظر ثانی اجلاس میں شمولیت کے مقصد کے تحت 20 اکتوبر 2023ء سے 26 اکتوبر 2023ء تک بند رہے گی (دونوں دن شامل ہیں)۔ ہر طرح سے مکمل ٹرانسفر جو 19 اکتوبر 2023ء کے دن اختتام کار تک ہمارے رجسٹرار آفس میسرز JWAFS رجسٹرار سروسز (پرائیویٹ) لمیٹڈ، 407-408، المیر سینٹر، شارع عراق، صدر، کراچی میں موصول ہوں وہ بروقت تصور ہوں گے۔

2- CDC حاملان سٹیفیکٹ جو اجلاس میں شمولیت کے خواہاں ہوں ان سے التماس ہے کہ وہ اپنے اصل CNIC، اکاؤنٹ اور پارٹیسپنٹ آئی۔ ڈی، شناخت کی غرض سے ساتھ لائیں۔

آڈیٹرز

آڈٹ کمیٹی کی سفارش پر بورڈ نے میسرز اے ایف فرگوسن اینڈ کمپنی ، چارٹرڈ اکائونٹنٹس کو 30 جون 2024 کو ختم ہونے والے سال کے لئے متفقہ مشاہرے پر تقرر کی منظوری دی ہے جو رجسٹرار آف مضاربہ کمپنیز اور مضارباز کی منظوری سے مشروط ہے۔

شریعہ آڈٹ رپورٹ

مضاربہ مسلسل اپنے شریعہ ایڈوائزر مفتی ارشاد احمد اعجاز سے حسب ضرورت رہنمائی حاصل کرتا رہتا ہے تاکہ رجسٹرار مضارباز کی مشاورت سے طے کردہ شریعہ آڈٹ طریقہ کار کی مکمل پابندی کو یقینی بنایا جائے۔ اندرونی آڈٹ ڈپارٹمنٹ کو بھی مضاربہ کے روزمرہ معاملات کی انجام دہی کے لئے تربیت دی جاتی ہے جس میں شریعہ پالیسیز اور اصولوں کی مکمل پابندی کو یقینی بنایا جاتا ہے۔ مضاربہ کے معاملات کے بارے میں جاری شدہ شریعہ آڈٹ رپورٹ برائے سال مختتمہ 30 جون 2023 سالانہ مالیاتی گوشواروں کے ساتھ منسلک ہے۔

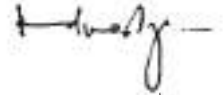
اعتراف

مضاربہ کی مستحکم ترقی کے پیچھے ہمارے اہم افراد ہیں۔ ڈائریکٹرز مضاربہ کے ہر ایک ملازم کی خدمات اور کاوشوں کا معترف ہے جنہوں نے معیاری خدمات فراہم کر کے صارفین کی توقعات کو پورا کیا اور مضاربہ کے کاروبار کے تسلسل کو یقینی بنایا۔

ہم رجسٹرار مضاربہ ، ایس ای سی پی کے اہل کاروں اور ایس بی پی ریلیجس بورڈ ، مالیاتی اداروں اور اپنے کاروباری پارٹنرز کے مسلسل تعاون اور رہنمائی، اور اپنے صارفین کی مستقل سرپرستی اور کاروبار کے لئے بھی خلوص دل سے شکرگزار ہیں۔ ہم اپنے سرٹیفکیٹ ہولڈرز کے تعاون اور ہماری انتظامیہ پر بہروسے کے بھی ممنون ہیں۔



علی اکبر
ڈائریکٹر



مرتضیٰ احمد علی
چیف ایگزیکٹو
مورخہ 13 ستمبر 2023

کاروبار کو مع تمام اثاثہ جات اور واجبات (بشمول چھوٹے واجبات) چلتے ہوئے کاروبار کی شکل میں دو علیحدہ قانونی اداروں میں منتقل کر دیا جائے گا۔

- گزشتہ چھ سال کا کلیدی آپریٹنگ اور فنانشل ڈیٹا کا خلاصہ اس سالانہ رپورٹ میں شامل ہے
- آپ کی کمپنی کے ذمے ٹیکسز، ڈیوٹیز، محصولات اور چارجز کی مد میں 30 جون 2023 تک کوئی قانونی واجبات نہیں ہیں سوائے ان کے جو مالیاتی گوشوارے میں ظاہر کئے گئے ہیں۔
- ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، ان کے شریک حیات اور چھوٹے بچوں کی جانب سے کی گئی سرٹیفیکیشن کی تجارت اس رپورٹ کے ضمیمے میں درج ہیں۔
- ملازمین کے پراویڈنٹ فنڈز میں کی گئی سرمایہ کاری کی قدر، فنڈ کے مالیاتی گوشواروں میں بمطابق 31 دسمبر 2022 کو 323,694,059 (2021:271,372,612) روپے تھے۔

سرٹیفیکیشن کی ہولڈنگ کا طرز اس سالانہ رپورٹ میں شامل ہے سال مختتمہ 30 جون 2023 کے بعد اسپانسر کمپنی لائیو انجینئرنگ اینڈ سروسز (پرائیویٹ) لمیٹڈ نے کل 11,265,572 سرٹیفیکیشن خرید لئے، مذکورہ لین دین کی باقاعدہ رپورٹ پی ایس ایکس کو بھیج دی گئی۔

* بورڈ نے کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق ایک بیومن ریسورس کمپنی تشکیل دی ہے۔ کمیٹی بورڈ کو درج ذیل امور کی انجام دہی کے لئے سفارشات پیش کرتی ہے:

- کمپنی کے لئے ایک مضبوط اداراتی پلان
- ایک موثر ایمپلانی ڈیولپمنٹ پروگرام؛ اور

ج) مضبوط معاوضے اور فوائد کے پلان، پالیسیز اور معمولات جو اعلیٰ صلاحیتوں کے حامل اسٹاف کے لئے پرکشش ہوں اور ان کو ساتھ جوڑے رکھے جو کاروبار کی موثر منیجمنٹ اور اہداف مقرر کرنے کے لئے ضروری ہے۔

مندرجہ ذیل ڈائریکٹرز بیومن ریسورس کمیٹی کے ممبرز ہیں:

1. جناب عبدالرحیم سوریا، چیئرمین
2. سید فیصل علی
3. جناب مرتضیٰ احمد علی

سال کے دوران میں بیومن ریسورس کمیٹی کی ایک میٹنگ ہوئی جس میں 100% ممبر حاضر ہوئے

• بورڈ نے کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق ایک آڈٹ کمیٹی تشکیل دی ہے کمیٹی تین ممبران پر مشتمل ہے۔ آڈٹ کمیٹی کے سربراہ ایک خود مختار ڈائریکٹر ہیں۔ کمیٹی وقفے وقفے سے مالیاتی گوشواروں کا جائزہ لیتی ہے اور مالیاتی پالیسیز اور معمولات کی جانچ کرتی ہے تاکہ اطمینان کرے کہ اندرونی کنٹرول کا نظام مستعد اور مضبوط ہے۔ کمیٹی اندرونی آڈٹ ڈیپارٹمنٹ کی جاری کردہ آڈٹ رپورٹس کا بھی جائزہ لیتی ہے۔ آڈٹ کمیٹی بیرونی آڈیٹرز کے تقرر کے لئے بورڈ آف ڈائریکٹرز کو سفارشات پیش کرنے کی ذمہ دار بھی ہے۔

• بورڈ آڈٹ کمیٹی کی سال کے دوران میں چار میٹنگز ہوئیں۔ ہر ممبر کی اجلاس میں حاضری کا ریکارڈ درج ذیل ہے:

ڈائریکٹر کا نام	اجلاس میں حاضری کی تعداد
جناب عبدالرحیم سوریا	4
سید فیصل علی	4
جناب علی اکبر	4

مدت سے شامل تھے اور اب وہ نان ایگزیکٹو ڈائریکٹر کے طور پر بورڈ میں شامل ہیں مضاربہ اور اس کی منیجمنٹ کمیٹی تعمیر نو کی اسکیم پر کام کر رہی ہے، اس لئے انتظامیہ نے فیصلہ کیا ہے کہ منتقلی کی تکمیل اور ایس ایچ سی سے مطلوبہ منظوری حاصل ہونے تک موجودہ تشکیل اور بورڈ میں شامل ڈائریکٹرز اور اس کی کمیٹیوں میں کوئی تبدیلی نہ کی جائے۔

جناب سوریا کہنے مشق پروفیشنل ہیں اور اپنی مہارت اور علم پر مبنی کاروبار اور کنٹرول کے طریقہ کار پر خصوصاً گورننس پالیسیز اور مستحکم معیارات کے حوالے سے آزادانہ نقطہ نظر پیش کرتے ہیں۔

سال کے دوران میں بورڈ کے چار اجلاس منعقد ہوئے۔ مضاربہ منیجمنٹ کمیٹی کی جانب سے بورڈ اجلاس میں شرکت کرنے کا مشاہرہ ادا کیا گیا۔ ہر ڈائریکٹر کی حاضری کی تعداد درج ذیل ہے:

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
سید فیصل علی	4
جناب مرتضیٰ احمد علی	4
جناب خواجہ احدر حمن	3
جناب علی اکبر	4
جناب عبدالرحیم سوریا	4
جناب حسن شہزاد عابدی	4
مسز سائرہ ناصر	4

ڈائریکٹرز کی ڈیولپمنٹ

انتظامیہ کی پالیسی کے مطابق ڈائریکٹرز، ایگزیکٹوز اور کارپوریٹ گورننس سے متعلق عملے کو سیمینارز اور کورسز میں شرکت کرنے کی حوصلہ افزائی کی جاتی ہے جس کا مقصد ان کے فرائض کی کارکردگی اور اس کے اثر پذیر ہونے میں اضافہ کرنا ہے۔ آج کے دن تک تمام ڈائریکٹرز سی سی جی کی ہدایات کے مطابق قابل افراد ہیں۔ اس کے علاوہ جناب محمد سعد، سی ای او نے بھی اگست 2023 میں آئی اے سی پی سے ڈائریکٹرز ٹریننگ پروگرام مکمل کر لیا ہے۔

کارپوریٹ گورننس پر عمل درآمد

بورڈ آف ڈائریکٹرز مضاربہ کے تمام نمایاں معاملات کا جائزہ لیتا ہے۔ ان میں مضاربہ کی حکمت عملی کا رخ، سالانہ کاروباری منصوبے اور اہداف، متعلقہ پارٹیز کے ساتھ لین دین اور طویل مدت کی سرمایہ کاری اور قرضہ جات کے حصول پر فیصلہ سازی شامل ہے۔ بورڈ کارپوریٹ گورننس کے اعلیٰ معیارات کی پیروی کے لئے ہر عزم ہے۔

بورڈ کو یہ رپورٹ کرتے ہوئے خوشی محسوس ہو رہی ہے کہ

- مضاربہ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشواروں میں کاروباری امور، اس کے آپریشنز کے نتائج، نقد کا بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف طور پر ظاہر کیا گیا ہے۔
- مضاربہ کے اکائونٹس کی کتب کو باقاعدہ اور مناسب طریقے سے رکھا گیا ہے۔
- مالیاتی گوشواروں کی تیاری میں درست اکاؤنٹ پالیسیاں مستقل طور پر لاگو کی گئی ہیں اور اکائونٹس کے تخمینے موزوں اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں، پاکستان میں مضاربہ پر لاگو بین الاقوامی اکائونٹس کے معیارات کی پیروی کی گئی ہے۔
- اندرونی کنٹرول کے موجودہ نظام کا اندرونی آڈٹ اور ایسے دیگر طریقہ کار کے ذریعے مسلسل جائزہ لیا جاتا ہے۔ جائزے کا عمل جاری رہے گا اور کنٹرول میں کسی بھی خامی کو دور کیا جائے گا۔

• ادارے کے طور پر کاروبار جاری رکھنے میں مضاربہ کی اہلیت پر کوئی نمایاں شبہ نہیں ہے، سوائے اس معاملے کے، جس پر مضاربہ کے تشکیل نو سے متعلق آڈیٹرز کی رپورٹ میں معاملے پر زور کے پیراگراف میں بحث کی گئی ہے جس کے مطابق مضاربہ کے موجودہ

اسکالرشپس

ہم اپنے ایمپلائز کو پیشہ ورانہ اہلیت کے لیے میرٹ پر اسکالرشپ پیش کرتے ہیں جو ان کی صلاحیتوں کے اعتراف میں مالی فائدے کے صورت میں دیا جاتا ہے اور یہ تعلیم کے درجے کے لحاظ سے مختلف ہوتا ہے۔

کھیلوں کی سرگرمیاں

"صحت ایسی چیز ہے جس سے آپ کو محسوس ہوتا ہے کہ یہ سال کا بہترین وقت ہے"۔ لائیڈ میں ہم سمجھتے ہیں کہ ذہنی دبانو کو فزیکل سرگرمی کے ساتھ متوازن کیا جانا ضروری ہے؛ جس کے مطابق کھیلوں کو فروغ دینا ہماری سی ای آر کے اقدامات میں خاص اہمیت رکھتا ہے۔ ہمارا ایک اندرون خانہ اسپورٹس کمپلیکس اور جمنازیم ہے جہاں ملازمین کو معمول کے لحاظ سے مختلف کھیلوں اور صحت کی سرگرمیوں میں حصہ لینے کی حوصلہ افزائی کی جاتی ہے۔

نوجوان ٹیلنٹ کے لیے مواقع

ایک ذمہ دار اجتماعی شہری ہونے کی حیثیت سے مضاربہ مختلف تعلیمی اداروں کے طلبہ کو منیجمنٹ ٹرینی شپ اور انٹرن شپ فراہم کرتا رہتا ہے۔ گزشتہ سال کے مقابلے میں اس سال انٹرنز کی تعداد میں اضافہ ہوا اور باصلاحیت نوجوانوں کو پیشہ ورانہ ماحول میں سیکھنے کا موقع فراہم کیا گیا۔

ڈائریکٹرز

بورڈ آف ڈائریکٹرز کا اسٹراکچر

بورڈ آف ڈائریکٹرز باصلاحیت افراد افراد پر مشتمل ہے جو اعلیٰ تعلیم، تجربے اور مختلف پروفیشنز کی مہارت کے حامل ہیں اور مضاربہ اور اس کے سٹریٹجک بولڈرز کے بہترین مفاد میں کام قیادت کی اہلیت اور وژن رکھتے ہیں۔ بورڈ آف ڈائریکٹرز کارپوریٹ پالیسی کی فیصلہ سازی اور سینئر ایگزیکٹوز کے ساتھ مضاربہ کے لئے قلیل المدت اور طویل المدت آپریشنز کی منصوبہ بندی میں اہم کردار ادا کرتا ہے۔

اس وقت بورڈ آف ڈائریکٹرز سات افراد پر مشتمل ہے جن کی ترتیب درج ذیل ہے:

نام	کیٹیگری
مسز سائرہ ناصر	خود مختار خاتون ڈائریکٹر
جناب مرتضیٰ احمد علی	ایگزیکٹو ڈائریکٹر (سی ای او)
سید فیصل علی (چیئر مین)	نان ایگزیکٹو ڈائریکٹر
جناب خواجہ احد رحمن	
جناب علی اکبر	
جناب عبدالرحیم سوریہ	
جناب حسن شہزاد عابدی	

نان ایگزیکٹو ڈائریکٹرز قابل افراد ہیں اور مطلوبہ مہارت، تعلیم اور صلاحیت کے حامل ہیں جو کاروبار کے لئے درکار ہیں اور ایس ای سی پی کی تخصیصات کے مطابق سینئر انتظامیہ کو موثر طور پر رہنمائی فراہم کرتے ہیں اور مضاربہ کے معاملات کنٹرول کرتے ہیں۔ بورڈ کا چیئر مین، سی ای او کے علاوہ ہے۔ بورڈ آف ڈائریکٹرز کے اجلاس کاروباری آپریشنز کی کارکردگی اور نتائج کا جائزہ لینے اور ان کی منیجمنٹ اور مضاربہ کی کاروباری سرگرمیوں سے متعلق فیصلہ سازی کے لئے باقاعدگی سے منعقد ہوتے ہیں۔ تمام ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس - سی سی جی کے تحت مطلوبہ لازمی سٹریٹجک کورس مکمل کیا ہے۔ مضاربہ کے کاروباری رجحانات اور آپریشنل پلانز پر غور و خوض کے لئے بھی اجلاس منعقد ہوتے ہیں۔ مختلف پلاننگ کے موضوعات کے ساتھ ساتھ مضاربہ کے سالانہ کاروباری منصوبے پر بھی صلاح مشورے کئے جاتے ہیں۔

بورڈ میں شامل خود مختار خاتون ڈائریکٹر مسز سائرہ ناصر سٹریٹجی ڈائریکٹر ہیں اور انسٹی ٹیوٹ آف چارٹرڈ اکانونٹنٹس آف پاکستان (آئی اے سی پی) اور انسٹی ٹیوٹ آف کارپوریٹ سیکرٹریز آف پاکستان کی فیلو ممبر ہیں۔ آپ کو اکانونٹنگ، آڈیٹنگ، فنانس اور کارپوریٹ گورننس کا 30 سال سے زیادہ کا تجربہ حاصل ہے۔

جناب عبدالرحیم سوریہ کو کوڈ آف کارپوریٹ گورننس کے تحت بورڈ میں خود مختار ڈائریکٹر کی حیثیت سے نہیں رہے کیونکہ وہ مسلسل تین سال کی

تاہم تفتیش کے طریقہ کار میں معلومات کے ذریعہ کو ظاہر کرنا اور اطلاع دینے والے شخص کو مطلوبہ گواہی کے سلسلے میں ایک بیان بھی فراہم کرنا پڑ سکتا ہے۔ اگر کوئی ملازم اطلاع دینا چاہتا / چاہتی ہے تو اس کو پہلے معاملہ اپنے ڈپارٹمنٹ کے سربراہ کے سامنے پیش کرنا ہوگا (اگرچہ وہ ممکنہ طور پر حد سے بڑھنے والا / والی نہ ہو)۔ ایسی صورت میں وہ آڈٹ کمیٹی کو درج ذیل فارمیٹ میں ریکارڈنگ اور مانیٹرنگ کی غرض سے تحریری طور پر مطع کرسکتا / سکتی ہے۔



- متعلقہ فرد کا پس منظر اور ہسٹری (متعلقہ تاریخوں کے ساتھ)
- ان کو کس وجہ سے خاص طور پر صورتحال کے بارے میں کیوں تشویش ہے؟

شکایت کے متبادل طریقے:

آزاد ہاٹ لائن:

ایک آزاد خود مختار کمپلائنس ہاٹ لائن جو بیرونی ایجنسی آپریٹ کرتی ہے، اس سے ملازمین کو مالیاتی رپورٹنگ یا دیگر معاملات میں امکانی بے ضابطگیوں کی اطلاع دینے کا موقع ملتا ہے۔ ہاٹ لائن سب کے لئے دستیاب ہے اور کالر چاہے تو وہ نامعلوم رہ سکتا ہے۔

اجتماعی سماجی ذمہ داری:

مضاربہ اجتماعی سماجی ذمہ داری کو کاروباری طرز عمل کا حصہ سمجھتا ہے جو کمیونٹی کے لئے معاشی، سماجی اور ماحولیاتی فائدے پہنچا کر مستحکم ترقی میں مدد فراہم کرتا ہے۔ ایک اچھے اجتماعی شہری ہونا مضاربہ کی بنیادی اقدار میں شامل ہے۔



انتظامیہ اور گورننس پر عمل کرنے والے، اپنے اجتماعی شہری ہونے کی حیثیت سے اپنی ذمہ داری اچھی طرح جانتے ہیں اور اس سلسلے میں مکمل طور سے پرعزم ہیں۔ مضاربہ اپنے آپریشنز میں صحت، تحفظ اور ماحولیات میں اچھا طرز عمل برقرار رکھنے کو یقینی بنانے کا خواہاں ہے۔ اس کے علاوہ سماجی بھلائی کے فلاحی کاموں میں تعاون کرنا ہمیشہ کمپنی کا وطیرہ رہا ہے جس کے مطابق پاکستان میں مختلف کمیونٹیز کے ساتھ تعاون کیا جاتا ہے۔

اس سلسلے میں ہماری دلچسپی کے شعبہ جات میں ماحولیات کا تحفظ، تعلیم، صحت اور معاشرے کی سماجی ترقی وغیرہ شامل ہیں۔ کمپنی کی جانب سے تعاون کے بنیادی اقدامات میں درج ذیل شامل ہیں:



بورڈ آف گورنرز ایک کھلے ذہن کی، اخلاقیات، باعلم اور جامع انتظامیہ اور اچھی کارپوریٹ گورننس کے نفاذ کے لئے پرعزم ہے جو زیادہ سے زیادہ کامیاب اور موثر ہو۔

مختصر یہ کہ اچھی کارپوریٹ گورننس مضاربہ کی اقدار میں اضافہ اور مستحکم ترقی کا ذریعہ ہے۔ اچھی کارپوریٹ گورننس کی تشکیل کا کام جاری رہتا ہے اور اس کا مقصد عالمی سطح کے معمولات کے معیار کو شامل کرنا ہے۔

کنٹرول کی سرگرمیاں

مضاربہ نے کنٹرول کی کئی سرگرمیوں کا تعین کیا ہے جو اپنے کاروباری آپریشنز کی نوعیت کے مطابق ہیں اور ان کو اس طرح ذمہ داریاں سونپ دی گئی ہیں کہ موثر طور پر باہمی سپرویزن کر سکیں۔

جائزہ

بورڈ ہر سہ ماہی میں کم از کم ایک مرتبہ میٹنگ کرتا ہے تاکہ مضاربہ کی مالیاتی کارکردگی، مالیاتی اور آپریشنز بجٹس اور پیش گوئیوں، کاروباری ترقی اور ڈیولپمنٹ کی منصوبہ بندی، کیپٹل اخراجات کی تجاویز اور دیگر بنیادی کارکردگی کے اشاریوں پر غور و خوض کیا جائے۔ تمام مادی سرمایہ کاری کے اخراجات پر بعد از تکمیل جائزہ لیا گیا۔

آڈٹ

اندرونی آڈٹ کا سربراہ عملی طور پر بورڈ آف آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ اندرونی آڈٹ کے کاموں میں مالیاتی، آپریشنل اور کنٹرولز پر عمل درآمد کے جائزے اور رپورٹ کی دریافت کردہ معلومات بورڈ آف آڈٹ کمیٹی، چیف ایگزیکٹو اور متعلقہ ڈپارٹمنٹس کے سربراہوں کو فراہم کرتا ہے۔ اندرونی آڈٹ کا دفتر آڈٹ کمیٹی کو ظاہر کردہ معلومات کی درستی، معلومات کی شفافیت، اندرونی کنٹرولز اور خدشات کی مناسب مینجمنٹ کے معمولات کو یقین بناتا ہے۔ اس سلسلے میں احتیاط، تخلیقی تحقیق اور آڈیٹنگ پر زور دیا جاتا ہے کہ وہ بین الاقوامی معیارات اور اچھی کارپوریٹ گورننس سے مطابقت رکھتے ہیں۔ بورڈ آف آڈٹ کمیٹی اندرونی کنٹرول کے نظام پر اندرونی اور بیرونی آڈیٹرز سے رپورٹس وصول کرتا ہے اور کنٹرولز کے موثر ہونے کی نگرانی کے لئے طریقہ کار کا جائزہ لیتا ہے۔ آڈٹ ڈپارٹمنٹ شریعہ ایڈوائزر کے ساتھ بھی قریبی رابطے میں رہتا ہے اور اپنی کاروباری سرگرمیوں کے تمام ایریاز میں شریعہ کے اصولوں کی پابندی کے بارے میں رہنمائی حاصل کرتا ہے

وسل بلونر کا نظام

بورڈ نے وسل بلونر کا طریقہ کار وضع کیا ہے جو کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق ہے۔ بعض اوقات حالات ایسے ہوتے ہیں جہاں لوگ کسی مسئلے کو براہ راست اپنے منیجر کے سامنے اٹھانے میں جھجھک محسوس کرتے ہیں۔ لہذا ہم پورے مضاربہ میں ایک خفیہ "وسل بلوننگ" کا نظام فراہم کرنے کا منصوبہ بنا رہے ہیں جسے ملازمین استعمال کر سکیں گے۔ پالیسی میں ان مسائل پر کھلی گفتگو کی حوصلہ افزائی کرتی ہے اور مضاربہ کے ضابطہء اخلاق کی پابندی سے متعلق کسی بھی تشویش کی اچھی نیت سے اطلاع دینے پر اسے کوئی نقصان نہیں پہنچے گا۔ اس پالیسی کے تحت تمام اطلاعات کو خفیہ رکھا جائے گا اور الزام لگانے والے کی شناخت کو بھی خفیہ رکھا جائے گا تاوقتیکہ یہ تفتیش میں کسی طرح کی رکاوٹ یا آگے بڑھانے کے لئے نہ درکار ہو۔

یہاں وسیع زرعی وسائل ہیں جہاں ہم کپاس، چاول، گندم، مکئی، آلو، پھل اور سبزیاں اگاتے ہیں۔ سی پیک ملکی معیشت کے لئے گیم چینجر ہے اور اس لحاظ سے ہمیں نمایاں کاروباری مواقع پیش کرتا ہے اور ہم بھی اس سے مستفید ہونے کی حیثیت رکھتے ہیں۔ 230 ملین سے زیادہ کی آبادی کے ساتھ، یہ ملک ہر قسم کی سرمایہ کاری کے لئے، چاہے وہ پاور جنریشن کی روزافزوں طلب کے لئے صنعتی سرمایہ کاری ہو، معروف ایف ایم سی جی برانڈز کے اشتراک سے لاجسٹکس کے شعبہ میں سرمایہ کاری ہو یا سی پیک کے محاذ پر کارگو کی نقل و حرکت یا ڈیم/انفرا اسٹرکچر ڈیولپمنٹ پروجیکٹس کے لئے ارتھ موونگ آلات اور مشین کے شعبہ میں سرمایہ کاری ہو، یہ ایک بہت بڑی مارکیٹ ہے۔

انتظامیہ رینٹل انڈسٹری کے امکانات، سی پیک ڈیولپمنٹ اور حکومت کی حکمت عملی کے تحت شروع ہونے والے مختلف پروجیکٹس خاص طور پر دیامیر بہاشا ڈیم/داسو ڈیم اور اب ریکوڈک پروجیکٹ سے پیدا ہونے والے بے شمار مواقع سے متعلق مثبت سوچ رکھتی ہے لیکن رینٹل پاور کے شعبہ میں اپنی سرمایہ کاری کے لئے محتاط، دانشمندانہ اور منتخب رہنے کا رویہ اختیار کرے گی۔

ہم ہمیشہ اپنے صارفین کے اطمینان پر خصوصی زور دینے کی کوشش کرتے ہیں اور اپنے تمام کاروباری لین دین میں ہمیشہ اسلامی شریعہ کے اصولوں کی پاسداری کو یقینی بناتے ہیں۔

ہم اپنے ملک اور اپنے صارفین کے ساتھ اپنے وعدوں کا احترام کرتے ہیں اور ان کی رینٹل پروجیکٹس کی طلب کو پورا کرنے کے لئے معیشت کے تمام شعبوں میں کام جاری رکھیں گے۔ جہاں بھی کوئی موقع نظر آئے، ہمیں اس موقع کو ضائع نہیں کرنا چاہئے اور ہر قسم کی رینٹل پروجیکٹس میں نئی سرمایہ کاری کے لئے اسلامی اجازت رینٹل پروجیکٹس پیش کریں اور اپنے صارفین کے ساتھ ان کی ضروریات کے مطابق کام کریں۔

ریگولیٹر اور سرٹیفکیٹ ہولڈرز کے ساتھ ہمارا عہد

ایک ذمہ دار کارپوریٹ ادارہ ہونے کی حیثیت سے، ہم اپنے کاروبار کو شفاف طریقے سے انجام دیتے رہیں گے اور ریگولیٹر کے ساتھ قربت سے کام کریں اور اپنے کاروبار کے تمام ضابطوں اور مکمل شریعہ کی پیروی کو یقینی بنائیں۔

ہم سمجھتے ہیں کہ ہمیں اپنے سرٹیفکیٹ ہولڈرز کے ساتھ عہد پورا کرنے کے لئے درج ذیل پر عمل کرنا ہوگا:

- (ا) اپنے تمام کاروباری ایریاز میں اسلامی شریعہ کے اصولوں کی پابندی کرنا؛
- (ب) نقد ڈیویڈنڈز اور بونس سرٹیفکیٹ پیش کر کے ان کی سرمایہ کاری پر شفاف آمدنی فراہم کرنا؛ اور
- (ج) مضاربہ کے لئے طویل المدت نمو اور استحکام کے منصوبے تیار کرنا جس میں رینٹل اثاثہ جات کے پورٹ فولیو کے مختلف شعبہ جات کو ذہن میں رکھا جائے گا اور اثاثہ جات کے زیادہ سے زیادہ حصوں کو شامل کیا جائے گا۔ رینٹل کاروبار سرمایہ اور مزدور دونوں کے لئے محرک ہے کیونکہ ہم صرف آلات کی دیکھ بھال ہی نہیں کرتے بلکہ ان کو صارف کی سائنس پر مسلسل کام میں لاتے اور دیکھ بھال کرتے ہیں۔ اس میں ایک طرف اپنے اثاثہ کے پورٹ فولیو کے روزانہ کی بنیاد پر مسلسل جائزے کی ضرورت ہوتی ہے تاکہ سرمائے کے زیادہ سے زیادہ استعمال کو یقینی بنایا جائے تو دوسری طرف آپریشنل کنٹرول میں مستقل بہتری اور جائزے کا خیال رکھا جاتا ہے جس سے نہ صرف اثاثہ کی درستی کو برقرار رکھا جاتا ہے بلکہ اپنے صارفین کو معیاری خدمات بھی فراہم کرنا ہوتی ہیں۔

گورننس فریم ورک

ہمارا گورننس فریم ورک اس بات کو یقینی بنانے کے لئے تشکیل دیا گیا ہے کہ مضاربہ اپنی بنیادی اقدار اور اصولوں کے ساتھ اپنے ہر کام میں ادارتی مہارت کو برقرار رکھے۔ گورننس کے اعلیٰ ترین معیارات یعنی دیانت داری، شفافیت اور اسٹیک ہولڈرز کی اقدار کے تحفظ کے جذبے کے ساتھ مضاربہ نے اپنے گورننس فریم ورک کو صنعت کے بہترین معمولات کے مطابق قائم رکھا ہے۔ بورڈ آف ڈائریکٹرز اور سینئر انتظامیہ اندرونی کنٹرولز پر خصوصی توجہ دیتے ہیں جو مضاربہ کے ہر ملازم کے ذہن میں موجود رہتی ہے۔

ہمارے مالیاتی نتائج کے شائع شدہ اعداد و شمار کی بنیاد پر، گزشتہ 7 سال کے اوسط خالص قابل ٹیکس منافع کا مارجن 13% تک ہے، جو زیادہ سے زیادہ 19% اور کم سے کم 7% سالانہ کی رینج میں ہے اور موجودہ میکرو اکنامک کے ماحول میں اس مارجن کا حصول کسی چیلنج سے کم نہیں۔ اس سے واضح طور پر ظاہر ہے کہ 9% ڈبلیو ایچ ٹی انتہائی رجعی ہے، غیر منصفانہ ہے اور سرمایہ اور مزدور دونوں مبنی کاروبار کی بندش کا سبب بنتا ہے جو تمام صنعتوں اور پاکستان میں آنے والے پاور اور انفراسٹرکچر کے منصوبوں کو اہم رینٹل خدمات فراہم کر رہے ہیں۔

سرمایہ کاری کے محرک کاروبار جیسے رینٹل اثاثہ جات، چاہے پاکستان میں ہوں یا دنیا کے کسی حصے میں، 31% قابل ٹیکس خالص منافع حاصل نہیں کر سکتے۔ یہ انتہائی رجعی ہے اور پاکستان میں ایسے کاروباروں کی بندش کا سبب بن سکتا ہے۔ فنانس بل 2021 میں آنل فیڈ سروسز، وینڈر ہاؤسنگ سروسز، لاجسٹکس سروسز، کولڈ اسٹوریج سروسز اور ٹیلی کمیونیکیشن سروسز کی درجہ بندی 4% کی کم شرح پر کی گئی ہے۔ اسی نوعیت کی خدمات بنام رینٹل اے کار اور ٹرانسپورٹیشن سروسز کو پہلے ہی 4% ودیولٹنگ ٹیکس کی کم شرح کی سروسز میں شامل کیا گیا ہے۔ مشینری/اثاثہ جات کا رینٹل بھی انہی دو سروسز سے مطابقت رکھتا ہے اور اس پر 9% کی انتہائی بلند شرح پر ڈبلیو ایچ ٹی لگانا غیر منصفانہ ہے۔



ہمیں یقین ہے کہ مشینری کے رینٹل پر ودیولٹنگ ٹیکس کی شرح میں کمی مضاربہ کے کاروبار / رینٹل کاروبار کے بچاؤ، فروغ اور قائم رکھنے کے لئے لازمی ہے۔

بلند افراط زر کی وجہ سے مارک اپ ریش میں مسلسل اضافہ ہو رہا ہے اور ایس بی پی مستقل طور پر ریش میں اضافے کے ساتھ تبدیلی کر رہی ہے۔ مارک اپ ریش کا مضاربہ کے منافع پر نمایاں اثر پڑے گا اور کیپیٹل ایکویٹمنٹ کی شمولیت سے آنے والے سالوں میں مالیاتی چارجز میں مزید اضافہ ہوگا۔ اس کے ساتھ ساتھ پاکستانی روپے کی قدر میں بھی ایک بڑا چیلنج ہے جس کی بناء پر پارٹس اور دیگر استعمال ہونے والی اشیاء کی قیمتیں بھی مستقل بڑھ رہی ہیں اور کیپیٹل سرمایہ شامل ہو رہا ہے۔ یہ معیشت کے لئے انتہائی مشکل وقت ہے جو کاروبار کے لئے بڑا چیلنج ثابت ہوگا۔

کیٹر پلر برانڈ کے نام کی قوت اور گزشتہ سالوں میں نئی ٹیکنالوجی، نئی پروڈکٹس، نئی مارکیٹس اور نئے شعبہ جات میں ہماری مسلسل سرمایہ کاری کی حکمت عملی نے ہمیں ملک کے تمام کاروباری شعبہ جات میں ملک کی سب سے کم لاگت کی سرمایہ کاری کے رینٹل سیٹ اپ کی بہترین پوزیشن کا حامل بنادیا۔ اس سے ہمیں موجودہ چیلنج والے کاروباری ماحول میں مارکیٹ کی قیمتوں کے چیلنج کا مقابلہ کرنے اور اپنے صارفین کو بہترین موثر قیمتیں پیش کرنے کے لحاظ سے نمایاں برتری حاصل ہوگئی۔ ہمیں صورتحال کا باقاعدگی سے اور سمجھداری سے جائزہ لیتے رہنا ہوگا اور اپنے سرمایہ کاری کے منصوبوں کو حتمی شکل دینے سے پہلے حکومت کی جانب سے معیشت کا رخ متعین کرنے کا انتظار کرنا ہوگا اور اس کا جائزہ لینا ہوگا۔

مضاربہ اور منیجرز سے ٹیکنیشن اور ڈرائیورز/اپریٹرز تک ہماری ٹیم کے لوگ اپنے صارفین کو پاور سے لے کر لاجسٹکس تک ہر طرح کے ایکویٹمنٹس کے لئے مکمل رینٹل سلوشن پرووائیڈر کے طور پر پیش کرنے کے لئے اپنی پوری صلاحیتوں کے ساتھ تیار ہیں۔

ملک کو درپیش چیلنجز کے باوجود، ہم سمجھتے ہیں کہ اس ملک میں بے شمار وسائل ہیں جو قراقرم کے پہاڑوں سے لے کر بلوچستان کے پہاڑی علاقوں تک پھیلے ہوئے ہیں۔ ہمارا ملک قدرتی وسائل سے مالا مال ہے،

کسی خصوصی ٹیکنیکل مدد کی ضرورت نہیں

پاور بی آئی بنا کسی خصوصی ٹیکنیکل مدد کے، آپ کو مستعد انکوائری اور تجزیہ فراہم کرتا ہے۔ یہ مضبوط نیچرل لینگویج انٹرفیس اور فطری گرافیکل ڈیزائننگ ٹولز کے استعمال کو سپورٹ کرتا ہے۔

کاروباری ذہانت کو تیزی سے اور درستی کے ساتھ اخذ کرنا

یہ ہمارے ادارے کی معلومات کو بھرپور ویڈیو میں تبدیل کرنے میں مدد دیتا ہے جس سے بہتر فیصلہ سازی کے لئے کاروبار ذہانت اخذ کرتا ہے۔

سال کے دوران میں آئی ٹی کی قیمت کی قسط کی ادائیگی کے لئے 0.45 ملین روپے خرچ کئے گئے۔

مستقبل کے امکانات

کاروباری محاذ پر مربوط اور مخصوص مارکیٹنگ مہمات سے صارفین تک بہتر رسائی، صارف اور کاروبار کے شعبہ جات میں تنوع، بہتر ٹریڈری منیجمنٹ کے باعث مضاربہ نے شاندار کارکردگی کا مظاہرہ کیا اور 5.1 بلین روپے سے زیادہ کی سیلز اور 969 ملین روپے کا قبل از ٹیکس منافع حاصل کیا۔ ہمیں توقع ہے کہ آنے والے سالوں میں سیلز اور قبل از ٹیکس منافع کا یہ رجحان جاری رہے گا۔ تاہم مضاربہ سے ٹیکس کاسٹنٹی واپس لینے اور رینٹل سروسز پر 9% ڈبلیو ایچ ٹی (2023:8%) اور ٹرانسپورٹیشن سروسز پر 4% (2023:3%) ودیولٹنگ ٹیکس کے باعث رینٹل کاروبار پر بعد از ٹیکس منافع دباؤ کی حالت میں رہے گا۔ ہم فعال طور پر ٹیکس اتھارٹیز اور دیگر مختلف ریگولیٹری فورمز پر اس غیر منصفانہ اور رجعی WHT ٹیکس رجیم کے بارے میں رجوع کر رہے ہیں اور اسے معیشت کے دیگر شعبوں کے مساوی کرنے کے لئے کوشاں ہیں۔



اثاثہ جات کی رینٹل انتہائی سرمایہ کاری کا محرک کاروبار ہے جو صنعتوں اور تمام تعمیراتی منصوبوں کو خدمات فراہم کرتا ہے۔ رینٹل کی خدمات پیش کرنے والے حکمت عملی کے مطابق بڑے پروجیکٹس کے لئے فعال طور پر مصروف عمل ہیں اور بڑے انفراسٹرکچر کے منصوبوں جیسے بھاشا ڈیم، مہمند ڈیم، داسو ڈیم، گوادر انٹرنیشنل ایئرپورٹ پروجیکٹ، مختلف سی پیک موٹروے پروجیکٹس جگلوٹ، اسکردو روڈ (گلگت - بلتستان)، تھر کول پاور پروجیکٹ اور کئی ایسے پروجیکٹس میں خدمات فراہم کر رہے ہیں۔ یہ شعبہ نہ صرف قومی مفاد کے بڑے پروجیکٹس میں مدد کر رہا ہے بلکہ ہزاروں لوگوں کے لئے روزگار کے مواقع پیدا کر رہا ہے اور ڈیولپمنٹ اور ٹریننگ میں مسلسل سرمایہ کاری کر کے اہم افرادی سرمایہ تیار کر رہا ہے۔

9% ودیولٹنگ ٹیکس ریٹ انتہائی رجعی ہے اور 29% خالص قابل ٹیکس منافع کے مارجن پر کام کرتا ہے، جیسا کہ درج ذیل چارٹ میں ظاہر ہے:

تفصیلات	ودیولٹنگ بحساب 9%	ودیولٹنگ بحساب 4%
سیلز	100	100
سیلز ٹیکس (پنجاب خدمات پر ٹیکس) بحساب 16%	16	16
کل سیلز	116	116
اے + بی = سی		
ودیولٹنگ ٹیکس کی کٹوتی	10.44	4.64
کارپوریٹ ٹیکس ریٹ	34%*	34%*
ای		
قابل ٹیکس خالص منافع مارجن	31%	13%

* (29% کارپوریٹ ٹیکس کی شرح + 5% اوسط سپر ٹیکس کی شرح)

ڈیویڈنڈ

انتظامیہ نے اس سال کسی ڈیویڈنڈ کا اعلان نہ کرنے کا فیصلہ کیا ہے۔ ڈیویڈنڈ کے اعلان نہ ہونے کا مضاربہ کی ٹیکس کی ادائیگی کی اہلیت پر کوئی اثر نہیں پڑے گا اور انتظامیہ محسوس کرتی ہے کہ قیمتی قرضہ جات کی دوبارہ ادائیگی اور نئے ریٹیل فلیٹ میں دوبارہ سرمایہ کاری، دونوں کے لئے فنڈز درکار ہیں۔

کریڈٹ ریٹنگ

مضاربہ کی انتظامیہ یہ بتاتے ہوئے خوشی محسوس کر رہی ہے کہ اداروں کی ریٹنگ کے سلسلے میں JCR-VIS Credit Rating Company Limited نے الائیڈ ریٹیل مضاربہ (اے آر ایم) کی ریٹنگ طویل مدت کے لئے (Single A Plus) اور قلیل مدت کے لئے (A+) "A+" برقرار رکھی ہے۔ یہ ایک مرتبہ پھر ریٹنگ ایجنسی کے مضاربہ کی کارکردگی اور اس کے مالیاتی ذمہ داریاں پوری کرنے کی گنجائش پر اعتماد کا اظہار ہے۔



انفارمیشن ٹیکنالوجی

مضاربہ کے کثیرالجہتی ریٹیل کاروبار میں، اثاثہ جات کی 12 بلین روپے کی بنیاد کے ساتھ مسلسل ترقی کے پیش نظر، انتظامیہ نے 2016 میں اپنے آئی ٹی کے اسٹرکچر میں سرمایہ کاری کا فیصلہ کیا اور اپنے ریٹیل کاروبار کی ضروریات کے لئے مائیکرو سافٹ اے ایکس ڈائننامکس میں اے آر پی سلوشن کا مع جرمنی میں قائم کا بطور مضبوط اضافہ انتخاب کیا۔ کمپیوٹر سافٹ ویئر SYCOR اس پر عمل درآمد کے طریقہ کار کا آغاز سافٹ ویئر کے لئے لائسنس کی خریداری، ٹیم ممبرز کی تربیت سے ہوا اور طریقہ کار اور مالیاتی، ریٹیل اور سیلز موڈیول کے نفاذ کی مشق گزشتہ عرصے میں کی گئی



Unlike پوائنٹ سلوشن (تاریخی طور پر چھوٹے سے اوسط سائز کے کاروبار کے لئے استعمال کیا جاتا تھا) کے برخلاف، جو کثیر (بعض اوقات ڈیلیوریٹیگ) ڈیٹا بیسز پر انحصار کرتا تھا جس سے آئی ٹی کے ذرائع پر دبانو پڑتا تھا، ای آر پی سلوشن نے پورے کاروبار کو چلانے کے لئے صرف ایک ایپلی کیشن استعمال کرنے کا معیاری طریقہ فراہم کر دیا۔ اس سے نہ صرف استعداد میں اضافہ ہوا بلکہ مجموعی طور پر ملکیتی لاگت (ٹی سی او) میں بھی کمی آئی جس کے نتیجے میں کاروباری عمل کی لاگت کم ہوئی اور مضاربہ کی منفعت میں اضافہ ہوا۔

• مالیات پر زیادہ سخت کنٹرول کے ساتھ ساتھ کیئر پلر فائبر اسٹار ریٹیل پر عمل درآمد کا ڈیکلریشن اور عمل درآمد کی رپورٹنگ کے دیگر قانونی طریقے۔

• پروڈکٹ اور سروسز کی معلومات جیسے سپلائرز، ویٹرز، صارفین کے آرڈرز اور پروڈکٹ سے متعلق معلومات کے لئے سنگل ڈیٹا سورس - پروڈکٹ کی تیزی کے ساتھ ڈیولپمنٹ اور اجاء کے سانکلز، جس سے کمپنی کے مجموعی مارکیٹ شیئر میں اضافہ ہوتا ہے۔

• قیمتی کارپوریٹ ڈیٹا تک بہتر رسائی سے کاروبار کا عالمی منظر واضح ہوتا ہے جو مسلسل بہتری کی حکمت عملی فراہم کرتا ہے اور کاروبار کی صورتحال کے تخمینے کے لئے کارکردگی کے پیمانے اور اقدامات قائم کرتا ہے

• پروجیکٹس کے موثر طور پر منظم ہونے سے مجموعی طور پر کاروباری عمل کے ابتدا سے تمام مرحلوں میں اہم سطحوں پر فیصلہ سازی میں مدد ملتی ہے۔

• وسائل کے حصول اور خریداری کے طریقہ کار کی ہم آہنگی میں مدد دیتا ہے جس سے صارفین کو ضروریات کے مطابقت خریداری میں آسانی پیدا ہوتی ہے اور مرکزی خریداری کے ماڈل سے ناجائز اور غیر ضروری اخراجات میں کمی آتی ہے۔

• سیلز اور آپریشنز کی پلاننگ کی فراہمی اور اہم معلومات تک رسائی سے "کلوزڈ لوپ" کا طریقہ کار قائم ہوتا ہے جس کے ذریعہ یقینی بنایا جاتا ہے کہ کاروبار میں صارفین کو حد سے زیادہ اور / یا کم خدمات فراہم نہ ہوں۔

خودکار کاروباری طریقہ کار جیسے ایک ہی نظام میں انوائس کرنا، خرید و فروخت انجام دینے سے درستی میں بہتری آتی ہے اور ناکامیوں میں کمی ہوتی ہے۔ بلنگ اور صارفین سے دیگر روابط کی معلومات ایک ہی بنیاد پر ہونے سے خدمات کی انجام دہی بہتر ہوتی ہے اور صارف کو جوڑے رکھنے میں مدد ملتی ہے۔

سال کے دوران میں انتظامیہ اور ای آر پی ٹیم کی توجہ پروجیکٹ پر مرکوز رہی اور درج ذیل اہم کامیابیاں حاصل ہوئیں:

ٹریپ منیجمنٹ سسٹم میں اضافہ

فلیٹ منیجمنٹ کا پورا نظام ٹی ایم ایس سسٹم کے ذریعے انجام دیا جا رہا ہے جو ہماری ٹیم نے اے ایکس میں ایک موڈیول کے طور پر تیار کیا ہے۔ یہ نظام مکمل طور پر ہمارے بنیادی مالیاتی نظام سے جڑا ہے جس سے ہمیں اپنے ٹریپس کو زیادہ مستعدی سے کنٹرول کرنے اور مانیٹر کرنے میں مدد ملتی ہے اور یہ ہمارے لاجسٹکس کے کاروبار کی اہم تفصیلی صورتحال فراہم کرتا ہے۔ سال کے دوران میں کارکردگی بمقابلہ KPIs کی مانیٹرنگ کے لئے متعدد مالیاتی رپورٹس، مالیات اور کاروباری عمل کا موازنہ اور تجزیاتی رپورٹس نظام میں شامل کی گئیں اور جتنی جلد ممکن ہوا درستی کے اقدامات کئے گئے۔

مائیکرو سافٹ پاور بی آئی

پاور بی آئی پروجیکٹ کا آغاز گزشتہ سال ہوا تھا جس میں اپنے رپورٹنگ کے ڈھانچے کو بڑھانے اور اپنے معلومات کے خزانے کو مزید بھرپور بنانے کے ہدف کو ذہن میں رکھ کر تیار کیا گیا تھا۔ اس کا بنیادی خیال ہمارے شعبہ کے رجحانات اور آپریشنل رپورٹنگ پر توجہ دینا تھا۔

پاور بی آئی استعمال کرنے کے بنیادی فوائد

موجودہ ایپلی کیشنز کو ہموار طور پر مربوط کرنا

پاور بی آئی آسانی کے ساتھ آپ کے موجودہ کاروباری ماحول میں سما جاتا ہے جس سے ہمیں تجزیاتی اور رپورٹنگ کی اہلیت حاصل کر سکتے ہیں۔

بھرپور ذاتی ڈیش بورڈز

پاور بی آئی کی نمایاں ترین خوبی معلوماتی ڈیش بورڈز ہیں، جو کسی بھی ادارے کی حتمی ضرورت کو پورا کرنے کے لئے مخصوص کئے جاسکتے ہیں۔ آپ یک رخ عمل کا فائدہ حاصل کرنے کے لئے باسانی ڈیش بورڈز اور بی آئی رپورٹس کو ایپلی کیشنز میں مدغم کر سکتے ہیں۔

رپورٹس کی محفوظ اشاعت

یہ ذریعہ آپ کو خودکار طور پر معلومات کو اپ ڈیٹ رکھنے اور رپورٹس شائع کرنے کی سہولت فراہم کرتا ہے جس سے تمام استعمال کرنے والوں کو تازہ ترین معلومات حاصل ہوتی ہیں۔

'Accounting for Common Control Transactions' کے معیارات کی شرائط کے مطابق ہے (جس میں کامن کنٹرول کے لین دین کے لئے اکاؤنٹنگ کی وضاحت کی گئی ہے) جو ایس ای سی کا جاری کردہ ہے۔ اس وقت رپورٹنگ کی تاریخ پر کوئی متوقع اثر نہیں ہے جس کی مضابطہ کی کتب میں اثاثہ جات اور واجبات کی قدر اور درجہ بندی سے متعلق ایڈجسٹمنٹ کی ضرورت ہو۔

مستقبل کی حکمت عملی

پاور اینٹل کا کاروبار مضابطہ کا سب سے بڑا شعبہ ہے جو مجموعی سیلز کی آمدنی کا 41% فراہم کرتا ہے۔ مضابطہ اس کا متبادل دائرہ پاور اینٹل فلیٹ میں برقرار رکھے گا جو استعمال شدہ یونٹس کی فروخت کے مطابق ہوگا۔ یہ حکمت عملی فیول کی بہتر استعداد اور نئے تبدیل شدہ یونٹس کی اضافہ شدہ پائیداری پر مبنی ہے جس سے مضابطہ کو مسابقتی فائدہ حاصل ہوگا اور اس کے کسٹمرز کے لئے اعلیٰ قیمت مقرر کرنے پر دسترس حاصل ہوگی۔



تعمیراتی مشینری اور ایکویپمنٹ کا مضابطہ کی مجموعی آمدنی کا 15% ہے۔ یہ شعبہ مستقل طور پر DAM کنسٹرکشن سائنس اور ریکوٹک پروجیکٹ کی جانب سے طلب پر اپنے فلیٹ پر مبنی سرمایہ کاری کے امکانات کی جانچ کرے گا، جس کے لئے انویسٹر آپریٹر کے شعبہ کے مسابقتی منظر نامے پر غور کرے گا جو کم قیمت پر کم معیار کی خدمات پیش کرتے ہیں۔ اس کا ہدف اس بڑھتی ہوئی مارکیٹ میں نئے، بھروسہ مند اور فیول میں باکفایت یونٹس متعارف کروا کر مواقع حاصل کرنا ہے۔ اس کا انتظامی ڈھانچہ پہلے ہی اس شعبہ کو خاص طور پر ہدف بنانے کی حالت میں ہے جس میں تمام ایکویپمنٹس بشمول کربنز، ایکسکاوپیٹرز، موٹر گریڈرز، کمپیگنرز، وہیل لوڈرز، لائٹنگ ٹاورز اور دیگر تعمیراتی سامان موجود ہے۔

داخلی لاجسٹکس کے شعبہ میں مضابطہ اپنے کسٹمرز، خاص طور پر ہولڈنگ اور پیکیجنگ کی صنعت میں مستقل طور پر جامع 360 سلوشنز پیش کرتا ہے۔ یہ درجہ اپنی سی اے ٹی فورک لفٹس کے استعمال پر مستعد اور باکفایت سلوشنز فراہم کرنے سے حاصل ہوا ہے۔

انتظامیہ کو پختہ یقین ہے کہ مستقبل میں مضابطہ کی سرمایہ کاری اور ترقی کے لئے لاجسٹکس ایک عمدہ شعبہ ہے۔ اس شعبہ کو کم سرمایہ کاری، کم ترسک چھاپ انجینئرنگ کے کاموں اور مجموعی طور پر انفراسٹرکچر نہ ہونے سے غیر مستعد اور ٹرانسپورٹ کے زیادہ اخراجات سے نقصان پہنچتا ہے۔ ٹرکنگ انڈسٹری کی رپورٹ میں مقرر کردہ سفارشات اور نیشنل ہائی وے سیفٹی آرڈیننس 2000 کے تحت ایکسل لوڈ رجیم کے مطابق عمل درآمد نہ ہونے سے ٹرکنگ انڈسٹری کو پائیدار ترقی میں مزید رکاوٹیں پیدا ہوتی ہیں۔ مضابطہ نے معروف ایف ایم سی جی برانڈز کے ساتھ ٹرانسپورٹیشن کے ریٹیل معاہدے کئے ہیں جن سے ہمارے کسٹمر کے ہمارے وعدہ پورا کرنے کی اہلیت پر اعتماد کرتے ہیں۔ صحت، تحفظ اور ماحولیات (HSE) کے معیارات کو یقینی بنانے کے لئے مضابطہ اپنے لاجسٹکس کاروبار کی ذمہ دار آؤٹس کے ذریعے بیورویریٹاس پاکستان کی SMETA کی رہنما ہدایات کی پیروی میں مسلسل تصدیق کرواتا ہے۔ ہم سمجھتے ہیں اس شعبہ میں، خاص طور پر نمایاں ایف ایم سی جی برانڈز کے ساتھ ترقی کی بڑی گنجائش موجود ہے، جہاں ہم نے پاور اینٹل اور لاجسٹکس ریٹیل، دونوں کاروباروں میں ریٹیل سلوشن فراہم کر کے مضبوط تعلقات قائم کئے ہیں۔

اس کے علاوہ ٹرانزٹ حب اور چائنہ پاکستان اکنامک کوریڈور (سی پیک) ایک اور نمایاں موقع پیش کرتے ہیں۔ ہمارا کاروباری یونٹ اس سلسلے میں بڑے امکانات سے خوب واقف ہے اور جیسے جیسے اس شعبے میں ہماری معلومات میں اضافہ ہوتا ہے، ہم کو منافع بخش ترقی کی توقع ہے۔

گیا ہے، روپے کی قدر میں مسلسل کمی پوری ہے اور ہمارے زرمبادلہ کے محاذ پر مستقل دباؤ ہے جو موجودہ معاشی صورتحال کی بنیادی کمزوریوں ہیں۔ اس سلسلے میں ہمارے آئیڈیٹرز کے ساتھ گفت و شنید اور IFRS 9 کے معیارات پر مبنی، سال کے لئے اکاؤنٹس میں اضافی 33 ملین روپے کا پروویژن مختص کر دیا گیا ہے۔

ٹیکس اور قانونی معاملات

معزز صدر پاکستان کی جانب سے 22 مارچ 2021 کو نافذ کئے گئے دوسرے ترمیمی آرڈیننس، جس کی بعد میں فنانس ایکٹ 2021 کے ذریعے توثیق کی گئی، مضابطہ کو سیکنڈ شیڈول آف انکم ٹیکس آرڈیننس 2001 کی شق 100 کے تحت دستیاب انکم ٹیکس کی چھوٹ کو یکم جولائی 2021 سے منسوخ کر دیا گیا۔

مضابطہ کے لئے دستیاب انکم ٹیکس کی چھوٹ واپس لینے پر، نفع نقصان اکاؤنٹ میں 668 ملین روپے بطور ٹیکس چارجز منہا کر لئے گئے۔ اس میں 375 ملین روپے سال کا موجودہ ٹیکس اور 76 ملین روپے گزشتہ سال کے ٹیکس کی ایڈجسٹمنٹ کے اور 217 ملین روپے موخر شدہ ٹیکس کے واجبات ہیں جو وقت کے فرق اور شرح کے 33% سے 39% تک بڑھ جانے کے اثر سے جمع ہوئے۔ اب ٹیکس اتھارٹیز سے قابل وصولی رقم بمطابق 30 جون 2023 287 ملین روپے ہے۔



نیز مضابطہ کو مختلف قانونی اور ٹیکس کے معاملات میں مختلف اپیل کی اتھارٹیز میں مقدمات کا سامنا ہے، ان معاملات کی تفصیل مالیاتی اسٹیٹمنٹس کے نوٹ 11- اور 25 میں رپورٹ کی گئی ہے۔

جیسا کہ پہلے اعلان کیا جاچکا ہے کہ مضابطہ کو یکم جولائی 2021 سے ٹیکس سے استثنیٰ واپس لینے کے سبب، انتظامیہ نے مضابطہ کے موجودہ قانونی ڈھانچے کو دوبارہ تشکیل دینے کا فیصلہ کیا ہے اور موجودہ کاروباروں کو اپنے تمام اثاثہ جات اور واجبات، بشمول تمام امکانی واجبات سمیت دو علیحدہ نجی کمپنیز، ایک تمام مشینری اور ایکویپمنٹ کے ریٹیل کاروبار کے لئے اور دوسرے لاجسٹکس کے کاروبار کے لئے تقسیم کیا جائے گا۔ اس کی درخواست مورخہ 10 اکتوبر 2022 کو سندھ ہائی کورٹ (ایس ایچ سی) میں جمع کرائی گئی تھی۔ اس کے بعد ایس ایچ سی نے درخواست کو سماعت کے لئے منظور کر لیا اور مضابطہ اور دیگر درخواست گزار کمپنیز کے سرٹیفکیٹ ہولڈرز/شینرز ہولڈرز کا غیر معمولی اجلاس عام بلانے اور درخواست کو آفیشیل گزٹ میں شائع کرنے کے احکامات صادر کئے۔ تمام درخواست گزار کمپنیز کا غیر معمولی اجلاس مورخہ 25 نومبر 2022 کو منعقد ہوا جس میں درخواست گزار کمپنیز کے سرٹیفکیٹ ہولڈرز/شینرز ہولڈر نے اسکیم آف ریجمنٹ کی منظوری کے لئے پیش کی گئی قرارداد کو متفقہ طور پر منظور کر لیا۔ اس کے تمام درخواست گزاروں کے اجلاس کے منتس ایس ایچ سی میں جمع کرانے گئے۔ تمام متعلقہ معلومات / اظہار نے پی ایس ایکس ڈیٹا پورٹل کے ذریعے اسٹیک ہولڈرز کو بروقت پہنچادیئے گئے اس وقت آفیشیل گزٹ میں اشاعت کسی اور معاملے کے ساتھ زیر التوا ہے جو ایس ایچ سی اگلی سماعت میں اٹھا سکتی ہے۔ لہذا درخواست ایس ایچ سی میں حتمی فیصلے کے انتظار میں ہے۔ ضابطوں کی اور لسٹنگ کی شرائط کی پیروی میں، اپنے سرٹیفکیٹ ہولڈرز کی معلومات کے لئے تمام درست اور متعلقہ اظہار نے سال کے دوران میں ہی ایس ایکس بورڈ پر جاری کر دیئے گئے تھے۔ مضابطہ انتظامیہ کو 30 جون 2024 تک ایس ایچ سی کی منظوری حاصل ہونے کی توقع ہے۔

مضابطہ کے 95% سرٹیفکیٹس ایسو سی ایٹڈ اور گروپ کمپنیز کے پاس ہیں جس کی بناء پر درج بالا لین دین عام کنٹرول کے لین دین کے طور پر سمجھا جائے گا اور اکاؤنٹنگ کے پیش رو طریقے کے تحت مانا جائے گا جو

سال کے دوران میں تکافل/ انشورنس کے چارجز 45 ملین روپے رہے جو گزشتہ سال 44 ملین روپے تھے

انتظامی اور فروخت کے اخراجات

انتظامی اور فروخت کے اخراجات گزشتہ سال کے 308 ملین روپے کے مقابلے میں 13% اضافے کے ساتھ 350 ملین روپے ہوئے۔ اس میں بڑے اخراجات گاڑیوں کی چلنے کے تھے جو فیول کی قیمتوں میں نمایاں اضافے کے سبب 13 ملین روپے تک پہنچ گئے۔ تنخواہوں اور اجرتوں کی رقم 17 ملین ہوگئی (9.7%) افراط زر کے ایڈجسٹمنٹ کے مطابق تنخواہوں کی ایڈجسٹمنٹ کی گئی۔

کاروباری شعبہ جات کو پروڈکٹ لائن کی مناسبت سے دوبارہ تشکیل دیا جا رہا ہے جس میں ہماری توجہ ہر شعبہ کے لئے مخصوص اور خصوصی سیلز کی قوت متعین کرنا ہے۔ اس کے علاوہ ہمارے مضاربہ نے نئے آئی ٹی نظام "Microsoft AX and Sycor Rental" کے نفاذ کے 8 سال مکمل کر لئے ہیں جو نہایت مستعدی کے ساتھ متعدد کاروباری یونٹس اور شعبہ جات کی متنوع ضروریات پوری کر رہا ہے۔ ہماری ان ہاؤس سافٹ ویئر ڈیولپمنٹ کی مہارت کے لئے مستقل طور پر یقینی بنایا گیا ہے کہ اپنے آئی ٹی کے ٹولز کو اپنی کاروباری ضروریات، قانونی اور انتظامی رپورٹنگ کی ضروریات کے مطابق تبدیل اور ڈیولپ کیا جائے۔



کاروباری شعبہ جات اب پروڈکٹ لائنز پر منظم ہیں کیونکہ اب ہم ہر کاروباری شعبہ کو خصوصی اور پر خلوص سیلز کی قوت سے آراستہ کرتے ہیں۔ مضاربہ اب آئی ٹی سسٹم "مانکرو سافٹ اے ایکس اور سائیکور رینٹل کے 7 ویں سال میں داخل ہو گیا ہے جو کثیر الجہت کاروباری یونٹس اور شعبہ جات کی ضروریات پوری کرے گا۔

مالیاتی لاگت

مجموعی طور پر اپنے قرضہ جات کے حصول کی سطح کو کم کرنے میں کامیابی کے باوجود، سال کے لئے ہمارے مارک اپ کے اخراجات 181 ملین روپے تک پہنچ گئے ہیں جو گزشتہ سال 131 ملین روپے تھے۔ اس اضافے کا سبب گزشتہ مالی سال کے دوران میں سود میں نمایاں اضافہ ہے۔



دیگر آمدنی

سیونگ اکاؤنٹ پر منافع اور اسکرپ کی فروخت کے عمل سے بالترتیب 13 ملین روپے اور 48 ملین روپے حاصل ہوئے۔ پرانے یونٹس کی فروخت کے نتیجے میں 16 ملین روپے حاصل ہوئے جبکہ گزشتہ سال اس مد میں 10 ملین روپے کا نقصان ہوا تھا۔

رینٹل وصولیابی کے لئے پروویژن

سال کے دوران میں 40 ملین روپے کی قابل وصول رقم منسوخ کردی گئیں۔ پاکستان کو شدید معاشی چیلنج درپیش ہیں جس کے اثرات معیشت کے تمام شعبہ جات پر نظر آ رہے ہیں۔ افراط زر تاریخ کی بلند ترین سطح تک پہنچ

طور پر چینی کارگو کی حمل و نقل کے اہم کوریڈور ہونے کی بنا پر ہے۔ اس وژن سے ہم اینگ، مختلف ٹرانسپورٹ آپریٹرز فعال طور پر حکومت کے ساتھ طویل عرصے سے زیر التوا ایکسل لوڈ ریجیم (اے ایل آر) کے حتمی نفاذ کے لئے اشتراک کر رہے ہیں۔ یہ معاملہ گزشتہ دو دہائیوں سے حل طلب ہے جب کہ نیشنل ہائی وے سیفٹی آرڈیننس (این ایچ ایس او) موجود ہے۔ اے ایل آر کے نفاذ سے بے شمار وعدے جڑے ہیں کیونکہ یہ صرف اور لوڈنگ کے مسئلے کے حل پیش کرتا ہے بلکہ بہتر قیمت کے حصول اور گاڑی کی زیادہ موثر دیکھ بھال اختیار کرنے اور انتظامی معمولات میں بہتری لانے میں بھی مدد دیتا ہے۔ یہ ہمارے ملک کے لاجسٹکس کو زیادہ بہتر طور پر تیار کرے گا جو مستقبل کی طلب اور چیلنجز کا مقابلہ کرسکے گا اور بدلتے ہوئے منظر نامے میں ترقی اور کامیابی کی راہیں کھل جائیں گی۔

ہماری CAT مشینوں اور SANY کرینوں کے اینٹل شعبہ نے سیلز میں سال کے لئے 663 ملین روپے کی رقم حاصل کی۔ اس شعبہ کو انتہائی چیلنجز کا سامنا رہا جس کی بنیادی وجہ غیر منظم شعبہ کی اوسط سے بھی کم معیار کی پروڈکٹس سے برتری اور بنر مند مزدوروں کی قلت تھی۔ تاہم ہمارا مسابقتی فائدہ ہماری اسٹیٹ آف دی آرٹس اور SANY برانڈڈ مشینوں کے ساتھ تربیت یافتہ اور بنر مند افرادی قوت کے علاوہ ہماری صحت، تحفظ اور ماحولیاتی (HSE) کی ہدایات کی سخت پابندی پر توجہ رکھنے سے ہوا۔ پورے سال کے دوران میں ہم نے تعین اور پروجیکٹس حاصل کئے جس میں سائٹس اور فرنیچر ورکس آرگنائزیشن (FWO)، بہاشا، داسو اور مہمند ڈیم کی سائٹس پر چینی کنٹریکٹرز اور نیشنل لاجسٹکس سیل (NLC) شامل ہیں۔ ہمیں اس شعبہ میں ترقی کے بڑے مواقع نظر آ رہے ہیں خاص طور پر بلوچستان میں ریکوڈیک پروجیکٹ، بہاشا ڈیم اور دیگر ڈیمز کی سائٹس وغیرہ۔ تاہم ہمارا بڑا چیلنج کرنسی کی قدر میں کمی کے سبب نئے سامان کی قیمتوں میں اضافہ اور ایس بی پی کی جانب سے نئی مشینری کی درآمد کے لئے درآمدی کوٹہ کی دستیابی ہونا۔ اس کے علاوہ خدمات، آپریشنز اور دیکھ بھال کے بڑھتے ہوئے اخراجات کے سبب اس شعبہ میں منافع کے لئے رینٹل کی شرح میں نمایاں اضافے کی ضرورت ہے۔

مشین رینٹل کے کاروبار میں ہمیں جس بڑے چیلنج کا سامنا رہتا ہے وہ کنٹریکٹرز کے ادائیگی کے سرکل، جو ان کے لئے اکثر حکومت سے فنڈز کی وصولی کے لئے ان کی دستیابی عارضی ہوتی ہے۔ میکرو اکنامک استحکام، گردش قرضے کے بحران کا حل بنیادی عوامل ہیں جن کا اس شعبہ میں ترقی اور منافع پر گہرا اثر مرتب ہوتا ہے۔ اب ہماری بنیادی توجہ ان یونٹس کو ایف ڈبلیو او اور دوسرے چینی کنٹریکٹرز کے ساتھ تعین کرنے پر مرکوز ہے۔ ہماری خدمات کے لئے کنٹریکٹرز سے بروقت ادائیگیوں کی وصولی ایک بڑی رکاوٹ جسے ہمیں مسلسل دور کرنا پڑتا ہے۔

آپریٹنگ کے اخراجات

سال کے لئے پیداواری اخراجات میں 12% اضافہ ہوا جو گزشتہ سال کے 3,235 ملین روپے کے مقابلے میں 3,663 ملین روپے ہوئے۔ یہ معمولی اضافہ آمدنی میں اضافے کے مطابق رہا۔ خاص طور پر تنخواہوں اور اجرتوں کی مد میں اضافہ ہوا جو 1,075 ملین روپے سے بڑھ کر 1,206 ملین روپے ہو گئے۔ یہ تبدیلی یونٹس کی تعین میں توسیع، حکومت کے کم سے کم اجرتوں کی ہدایات کی پیروی اور افراط زر اور مصارف زندگی میں اضافے کے لئے ایڈجسٹمنٹ کی بنا پر ہوئی۔ دوسری طرف درآمدی پروڈکٹس کی مقام بندی، درآمدات پر پابندی کے سبب بعض انٹمز کی عدم دستیابی سے مرمت اور دیکھ بھال کے کاموں کو اگلی مدت کے لئے موخر کر دیا گیا۔ اس دوران میں فیول کی قیمتوں میں بڑے اضافے کے سبب فیول کے اخراجات میں 38% فیصد کا نمایاں اضافہ ہوا۔ اس عرصے میں فرسودگی کی مد میں 356 ملین روپے ریکارڈ ہوئے۔ اخراجات میں ان اضافوں کے باوجود مجموعی مارچ کی شرح میں نمایاں طور پر 19% اضافہ ہوا جو 1,476 ملین روپے کی حد پر بند ہوئے۔



ڈائریکٹرز کی رپورٹ

جون 30 برائے سال مختتمہ 2023

الائیڈ ریٹیل مضاربہ کی منیجمنٹ کمپنی الائیڈ انجینئرنگ منیجمنٹ کمپنی (پرائیویٹ) لمیٹڈ کا بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو ڈائریکٹرز کی رپورٹ مع مضاربہ کے آڈٹ شدہ مالیاتی گوشوارے برائے سال مختتمہ 30 جون 2023 پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

2023
000 روپے میں

5,720,422
5,108,592
969,347
667,963
301,384
468,340
166,592
166,592
5.9%
5.92%
Rs 1.37
Rs 23.81
Rs 28.50

مالیاتی جھلکیاں

سیلز کی کل آمدنی، بشمول صوبائی سیلز ٹیکس
سیلز کی خالص آمدنی
قبل از ٹیکس منافع برائے سال
منفی: انکم ٹیکسز
بعد از ٹیکس منافع برائے سال
غیر مختص نقصان گزشتہ سے حاصل
تخصیص کے لئے دستیاب
غیر مختص نقصان گزشتہ سے حاصل
خالص منافع کا مارجن
ایکویٹی پر آمدنی
فی سرٹیفکیٹ آمدنی
فی سرٹیفکیٹ بریک اپ ویلیو
پاکستان اسٹاک ایکسچینج کو دی گئی قیمت بتاریخ 30 جون 2023

کاروبار کا جائزہ

سامان، مشینری، کریبز اور کنکریٹ کا سامان شامل ہیں۔ یہ بات نوٹ کرنے کے قابل ہے کہ ہمارے تمام طویل المدت معاہدے ہمارے کسٹمرز کی جانب سے تسلی بخش ادائیگی کے ساتھ تکمیل کو پہنچنے تک کیٹیو پاور یونٹس کے لئے گیس کی دستیابی کے سبب گیس ریٹیل یونٹس کی سیلز میں 13% کمی آئی۔

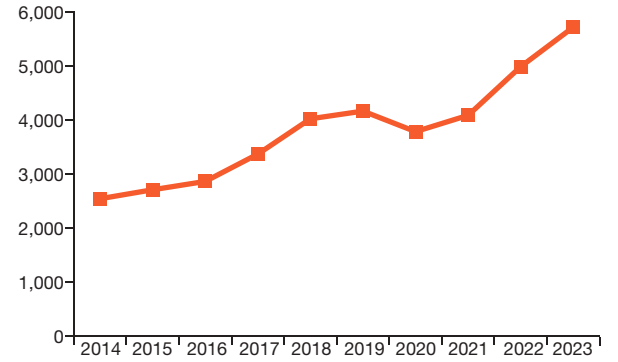
ہم نے اپنے ڈیزل ریٹیل کاروبار فلیٹ میں بعض پرانے یونٹس کی جگہ نئے یونٹس متعارف کروائے۔ ہمیں یقین ہے کہ ہمارا موجودہ فلیٹ سائز موجودہ مارکیٹ کی طلب اور طویل المدت معاشی منظر نامے کے لحاظ سے تسلی بخش ہے۔

ہمارے داخلی لاجسٹکس کے شعبہ کی مٹا کرنگی کارکردگی پورے سال جاری رہی اور سیلز میں 20% اضافہ ہوا۔ ہمارے داخلی لاجسٹکس معاہدوں کی اکثریت معروف کمپنیوں کے ساتھ طویل المدت پارٹنرشپ پر مشتمل ہے جس میں پلانٹ اور وینز ہاؤس کی سال بہ سال 24 گھنٹے لاجسٹکس اور منیجمنٹ شامل ہے۔ اس سلسلے میں یہ اجاگر کرنا اہم ہے کہ ایسی ذمہ داری میں خصوصی صلاحیت اور مہارت ہونا ضروری ہے تاکہ اپنے ملازمین کی صحت، سامان اور کسٹمرز کی اشیاء اور سہولتوں کے تحفظ کو یقینی بنایا جاسکے۔ تحفظ کی ضمانت کے سلسلے میں ہمیں اپنے معزز کسٹمرز کو حادثات سے میرا خدمات فراہم کرنا ہے۔ اس کے علاوہ اپنی فہرست میں نئے کسٹمرز کو شامل کرنے کے لئے اس شعبہ کے فروغ کی حکمت عملی میں نئے، باکفایت فیول والے یونٹس اور الیکٹریک فورک لفٹس کا اضافہ شامل ہے جس سے ہم اپنے کلائنٹس کو جدید ترین ٹیکنالوجیز اور سلوشنز پیش کر سکتے ہیں۔

ہمارے خارجی لاجسٹکس کے شعبہ میں نہ صرف کاروباری سطح مستحکم ہے بلکہ اس کی سیلز میں 1.5 بلین روپے کا نمایاں سنگ میل عبور کیا۔ ہم نے ایف ایم سی جی کے شعبہ کی تقریباً تمام بڑی بلیوچپ کمپنیوں کے ساتھ پارٹنرشپ قائم کر لی ہے جن میں یونی لیور، نیسلے، اینگرو، ناردرن بیوریجز اور ائل اینڈ گیس کمپنی شلمبرگر اور دیگر شامل ہیں۔ ہماری صحت، تحفظ اور ماحولیات (ایچ ایس سی) کی رہنما ہدایات کی پابندی نے ان کی خارجی لاجسٹکس کی ضروریات کے لئے ہمارے قابل بھروسہ اور قابل انحصار ہونے کی سزا کو مضبوط کیا ہے۔ بہر حال چینلرز بھی کاروباری دنیا کا ایک لازمی حصہ ہیں۔ ان چینلرز میں غیر منظم شعبہ جات کے ساتھ سخت مسابقت، جو کم قیمتوں، ضابطوں پر موثر طور پر عمل درآمد نہ کرنا جیسے موٹرویز اور ہائی ویز پر ایکسل لوڈ کی عدم پابندی شامل ہے جس سے اوور لوڈنگ کا مسئلہ اور ہنرمند اور قابل اعتماد افرادی قوت کو برقرار رکھنے کی جدوجہد جاری ہے۔

ہم نمایاں چینلرز کے باوجود اس شعبہ میں بھرپور ترقی کی گنجائش کے بارے میں پر امید ہیں۔ یہ امید اس خطے میں پاکستان کے بڑھتے ہوئے ٹرانزٹ حب ہونے کے کردار اور چائنہ پاک کوریڈور (سی پیک) کے حصے کے

آمدنی کا تجزیہ
مضاربہ کی مجموعی سیلز کی آمدنی، بشمول صوبائی سروسز سیلز ٹیکس، بڑے اضافے کے ساتھ 5,720 ملین روپے ہوئی جو گزشتہ سال کے 4,982 ملین روپے کے مقابلے میں نمایاں طور پر 15% زیادہ ہے۔ گزشتہ دہائی میں آمدنی میں اضافہ درج ذیل چارٹ میں دکھایا گیا ہے۔



سال کے لئے منافع، ٹیکس کے حسابات سے پہلے 969 ملین روپے تک پہنچ گیا، جو گزشتہ سال کے 729 ملین روپے کے مقابلے میں نمایاں طور پر 240 ملین روپے (33%) زیادہ ہے۔ ٹیکسز کی اس بھرمار کے تحت سال کے کل ٹیکسز، بشمول موخر شدہ ٹیکس 668 ملین روپے ہوئے جس میں گزشتہ سال کے ایڈجسٹمنٹ کی مدد میں 76 ملین روپے شامل تھے۔ اس کے نتیجے میں سال کے لئے بعد از ٹیکس منافع 301 ملین روپے ہوا جو کہ گزشتہ سال 385 ملین روپے تھا۔








پاور ریٹیل کا شعبہ اپنی ترقی کے مدار میں بڑھتا رہا اور اس کی سیلز 2 بلین روپے ہوئی۔ پاور ریٹیل ڈویژن کے تمام شعبہ جات کی کارکردگی مقررہ حد اور سالانہ اہداف سے زیادہ رہی۔ پورے سال کے دوران میں ریٹیل کے لئے بڑے اہم ڈبلیو یونٹس برقرار رہی جس کی وجہ کمزور گرڈ، کیٹیو پاور یونٹس کے لئے گیس کی محدود دستیابی اور طلب میں معمولی اضافہ تھی۔ اس کے علاوہ بہتر قیمتوں کی حکمت عملی کے باعث MW کے شعبہ کے لئے منافع میں اضافہ میں مدد ملی۔ ڈیزل یونٹس کی 1000 کے وی اے رینج اور ڈی 3500 سیریز میں زیادہ موثر تعین اور قیمتوں کے ایڈجسٹمنٹ کی وجہ سے آمدنی میں معمولی اضافہ ہوا۔ یہ تعیناتی معیشت کے مختلف شعبوں میں کی گئیں جیسے ٹیکسٹائل اور سیمینٹ سے لے کر ہاؤسنگ سوسائٹیز اور ان کے ساتھ صنعتی اور تجارتی شعبہ جات بھی شامل ہیں۔ ہماری تعمیراتی پروجیکٹس کے لئے تعین کی حکمت عملی سے ہمیں مسابقتی فائدہ حاصل ہوا کہ ہمیں پروجیکٹس کی جامع رینج پیش کرنے کا موقع ملا جن میں تعمیراتی










Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

Proxy Form

Allied Rental Modaraba

Managed by: Allied Engineering
Management Company (Private) Limited

I / We _____

of _____

being a member of Allied Rental Modaraba and holder of _____ Certificates

as per Certificate _____ Register Folio No. _____ and / or CDC Participant

ID No. _____ and Sub Account No. _____

hereby appoint _____ of _____

or failing him / her of _____

As my proxy to represent me and on my behalf at the 17th Annual Review Meeting of the Modaraba to be held on 26th day of October 2023 and at any adjournment there of.

Signed this _____ day of _____ 2023

WITNESSES:

1 Signature: _____

Name: _____

Address: _____

CNIC / or: _____

Passport No.: _____

Signature

Revenue
Stamp
Rs. 5 /-

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

2 Signature: _____

Name: _____

Address: _____

CNIC / or: _____

Passport No.: _____

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

تشکیل نیابت داری

محترم / محترمہ

میں / ہم _____

ساکن _____ بحیثیت الائیڈ ریٹیل مضاربہ _____ کے

رکن و حامل _____ سرٹفکیٹ بمطابق سرٹفکیٹ رجسٹرڈ فولیو نمبر _____

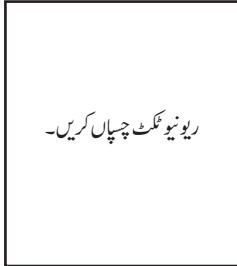
اور / یا سی ڈی سی کے شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____

محترم / محترمہ _____ ساکن _____

بصورت دیگر محترم / محترمہ _____ ساکن _____

کو اپنی جگہ مورخہ 26 اکتوبر، 2023 کو منعقد یا ملتوی ہونے والے سترھواں سالانہ نظر ثانی اجلاس عام میں رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

گواہ:



دستخط کمپنی میں پہلے سے موجود نمونہ کے مطابق ہونے چاہئے

دستخط

1 دستخط _____

نام _____

پتہ _____

سی این آئی سی یا پاسپورٹ نمبر _____

2 دستخط _____

نام _____

پتہ _____

سی این آئی سی یا پاسپورٹ نمبر _____

نوٹ پراسیزر کے موثر ہونے کے لئے ضروری ہے کہ ان کی تفصیلی اجلاس شروع ہونے سے 48 گھنٹے قبل مضاربہ کو موصول ہو جائے۔
سی ڈی سی شیئر سرٹفکیٹ ہولڈرز اور ان کے پراسیزر سے گزارش ہے کہ وہ اپنے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹوکاپی مضاربہ کو پیش کرنے سے قبل اس پراسیزر کے ساتھ منسلک کریں۔



Allied Rental Modaraba

Managed by: Allied Engineering
Management Company (Private) Limited

**21/3 Sector No. 22, Korangi
Industrial Area, Karachi -74900**

UAN:

+9221 - 111-250-250

**Tel: +9221 - 35066901 - 13
+9221 - 35113621 - 25**

Fax: +9221 - 35066915 - 16

Email: rental@aesl.com.pk

Web: www.arm.com.pk