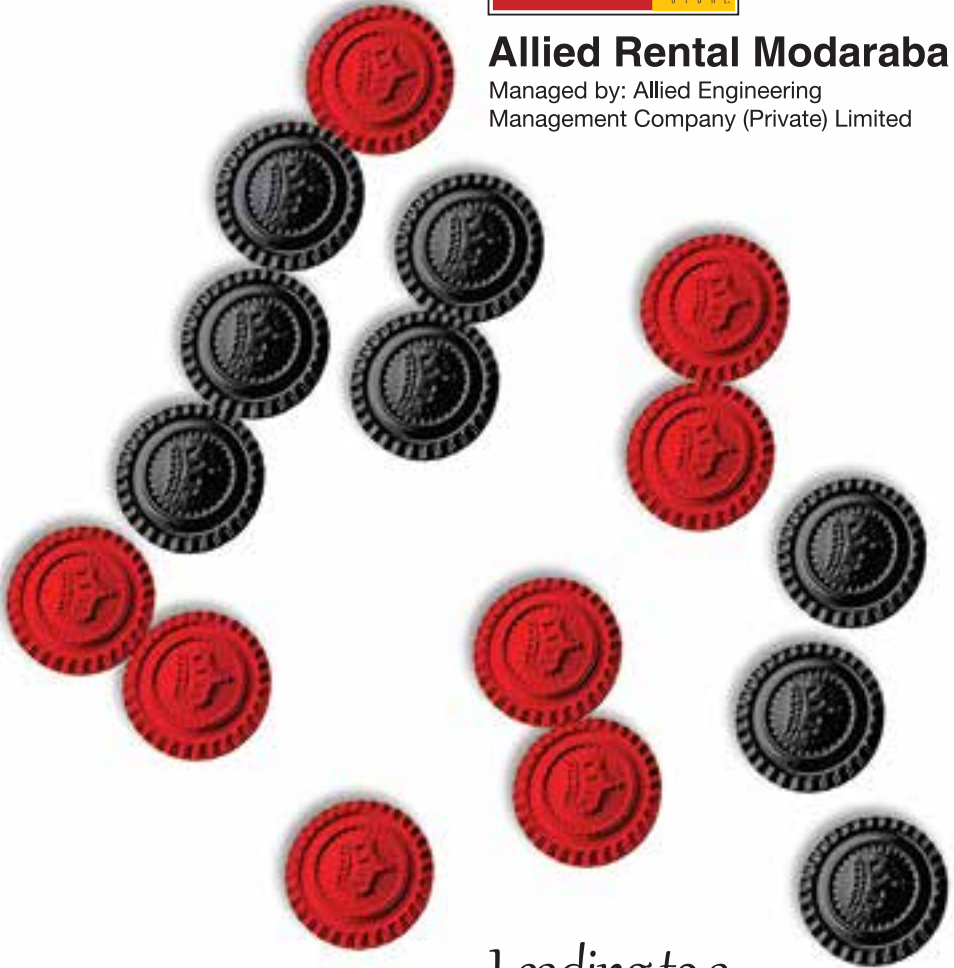


Half Yearly  
Report  
December 2016



## Allied Rental Modaraba

Managed by: Allied Engineering  
Management Company (Private) Limited



Leading to a  
**Winning Game**

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## Modaraba Information

### Board of Directors

Mr. Khwaja Asif Rahman  
Chairman

Mr. Murtaza Ahmed Ali  
Chief Executive

Syed Feisal Ali  
Non - Executive Director

Mr. Raees A. Khan  
Non - Executive Director

Mr. Ali Akbar  
Non - Executive Director

Mr. Hassan Shehzad Abidi  
Non - Executive Director

Mr. Abdul Rahim Suriya (Independent)  
Non - Executive Director

### Audit Committee

Mr. Abdul Rahim Suriya (Independent)  
Chairman

Syed Feisal Ali  
Member

Mr. Ali Akbar  
Member

### Chief Financial Officer

Mr. Naveed Shaheen

### Company Secretary

Mr. Muhammad Saad

### Head of Internal Audit and Secretary to Audit Committee

Mr. Abid Altaf

### Human Resource and Remuneration Committee

Mr. Khwaja Asif Rahman  
Chairman

Syed Feisal Ali  
Member

Mr. Murtaza Ahmed Ali  
Member

Mr. Abdul Rahim Suriya (Independent)  
Member

### Strategic Management

Syed Zulqarnain Jafri  
Business Unit Head - Power

Mr. Hammad Ifrikhar  
Business Unit Head - Logistics & MHE

Mr. Rashid Jehangiri  
Business Unit Head - Machines and Cranes

Mr. Ali Ahsan  
Head of Operations - Power (South)

Mr. Ali Ammar  
Business Administrator

Mr. Muhammad Azeem Siddiqui  
Head of Human Resource and Administration

Mr. Muhammad Farooq  
Head of Information Technology

### Islamic Banks, Islamic Window of Commercial Banks & Lending Institutions

Bank Alfalah Limited

BankIslami (Pakistan) Limited

Burj Bank Limited

Faysal Bank Limited

First Habib Modaraba

Habib Bank Limited

Habib Metropolitan Bank

MCB Bank Limited

Meezan Bank Limited

National Bank of Pakistan Limited

Orix Modaraba (Formerly Standard Chartered Modaraba)

Standard Chartered Bank (Pakistan) Limited

Soneri Bank Limited

United Bank Limited

### Auditors

KPMG Taseer Hadi & 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](http://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

## DIRECTORS' REPORT

For the period ended December 31, 2016

The Board of Directors of Allied Engineering Management Company (Pvt.) Limited, the management company of Allied Rental Modaraba, is pleased to present to its certificate holders the Directors' Report together with Unaudited Financial Statements of the Modaraba for the half year ended December 31, 2016.

Financial Highlights	Rs in '000
Investment in Ijarah assets	6,275,876
Total Revenue	1,498,891
Net profit for the period	201,353
Net profit margin	13.43%
Return on equity	4.77%
Current Ratio	0.69:1
Earning per certificate	Rs. 1.15
Break-up value per certificate	Rs. 25.12

### Review of Operations

We are pleased to report that Modaraba registered Sales Growth of 20% from Rs 1,249 million to Rs 1,499 million as compared to corresponding period last year. This is mainly attributable to the diversification strategy adopted by the Management to Non Power sectors of the Rental business. Accordingly, the net profits for the period also increased by 41% to Rs 201 million as compared to Rs 142 million for the corresponding period last year.

Logistics sales increased significantly to Rs 388 Million against corresponding period sales of Rs 153 Million; mainly on account of shift of business to better price realization contracts. Sales from our Machine & Crane segment more than doubled during the corresponding period as new Construction Equipment, Machines and Cranes are being inducted in the Rental Fleet. Improved performance in this Rental Sales is expected to continue in the future as we continue to invest in Machines and Cranes to cater for the increased demand from the Machine Rental market for CPEC Projects. Sales in the Power Generation segment declined during the period, with Gas segment contributing mainly due to maturities of our long term BOT contracts. However, as compared to previous period, when the business of the large Diesel Generator segment got hit from slump in Textiles, this period we had better deployment of our large Diesel segment fleet due to agreements signed for their long term deployment with our customers.

Operating costs have increased by Rs 134 Million mainly due to fleet vehicle running costs which have increased from Rs 43 Million in the corresponding period to Rs 166 Million, such increase is attributable to higher revenues and new investment in our Logistics and MHE segment. Due to strict controls on our Salaries and Wages element, the Operational Salaries and Wages only went up by Rs 3 Million to Rs 298 million as compared to Rs 295 million in corresponding period last year. Depreciation for the period also increased by 7% to Rs 382 Million as compared to Rs 356 Million of corresponding period last year due to new investment made in Machines and Crane segments. Ijarah rentals significantly declined to Rs 52 Million from Rs 96 Million of corresponding period last year due to maturity of our long term Ijarah contracts.

Administrative and distribution expenses increased by Rs 16 Million to Rs 81 Million (2015: Rs 65 Million) which is in line with inflation and putting resources in place to handle diversified business portfolio and increased business volume. Legal and Professional Charges went up to Rs 6,608 million; this is mainly due to litigation with the Government fiscal authorities, both Federal and Provincial, on issues of FED, Income Taxes and Provincial Sales Tax.

Provision against potential Ijarah losses and operation and maintenance income increased significantly and stood at Rs 42 Million being in compliance with the Prudential Regulations for the Modaraba, whereas finance costs went up by 5% which comes to Rs 3.7 Million due to increase in overall borrowings.

During the period, Modaraba registered a loss of Rs. 11 Million from the sale of its old Generators to reduce its idle time on Equipment.

## Future Prospects

Modaraba, with its current strength in the market, is ideally placed in the era of high economic growth to reap the benefits of diversification by investing in Construction Equipment, Machines and Logistics segment. We are aware of the Machine rental demand levels generated by both local and Chinese contractors, construction companies including government entities, who are approaching Modaraba for both their short and long term rental requirements. The Management is aware of the challenges of this growth and is geared to meet the requirements of the business, requiring both investment and Capital formation, but side by side develop its HR resources for successful operation and maintenance of these units as O&M is an essential part of our Ijarah Rental contract.

This EARLY MOVER ADVANTAGE window is available due to higher than usual investment on Infrastructure Projects under CPEC; truly a game changer for the economy of the country. The Management is continuously expanding its rental fleet and have placed orders for both new and used Excavators, Compactors, Motor Graders and other construction equipment from Caterpillar and new Cranes from Sany. Modaraba changed the Rental model of the Crane industry by inducting NEW SANY Cranes, meeting better safety and compliance standards than the old and used cranes considered the norm of the market.

Modaraba is also continuously tapping new rental agreements for the transportation business with leading FMCG and Oil Field Services companies to deploy its Rental assets to more profitable sectors of the business.

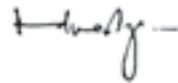
Modaraba has to continuously develop its Human Resource to cater for the new requirements of the business. Though Pakistan has large population, but we are extremely short in technical semi skilled and skilled workforce and as their demand picks up in the market, we see continuous and strenuous efforts on the part of the Modaraba to retain them. We expect the wage element to go up as the market wage rate for these workers climb due to increased demand levels. This is one of the major challenges presently faced by the Modaraba to judiciously increase the wage rate and retain the workforce.

The Management is upbeat on the CPEC development and tremendous opportunities it has to date generated for the Modaraba, 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.

## Acknowledgement

The Board wishes to place on record its sincere gratitude to the Registrar Modaraba, Religious Board, financial institutions and its financing partners for their continued support and guidance; and its customers for their continued patronage and business.

On Behalf on the Board



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**Murtaza Ahmed Ali**  
Chief Executive

February 23, 2017

# Auditors' Report to the Certificate holders on Review of Interim Financial Information

## Introduction

We have reviewed the accompanying condensed interim balance sheet of Allied Rental Modaraba (the Modaraba) as at 31 December 2016, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the condensed interim financial information). The Modaraba Management Company [Allied Engineering Management Company (Private) Limited] is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

## Other matters

The figures for the three months period ended 31 December 2016 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them. The condensed interim financial information of the Modaraba for the six months period ended 31 December 2015 and financial statements for the year ended 30 June 2016 were respectively reviewed and audited by another firm of Chartered Accountants who vide their review report dated 25 February 2016 and audit report dated 30 September 2016 had expressed an unqualified conclusion and opinion respectively.

Date: 24, February 2017

Karachi

**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Amyn Pirani

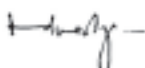
# Condensed Interim Balance Sheet

As at 31 December 2016

	Note	Unaudited Dec 31, 2016	Audited Jun 30, 2016
(Rupees)			
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and bank balances	6	90,963,979	57,352,972
Ijarah rentals receivable	7	807,261,760	724,306,336
Operation and maintenance income receivable	8	66,485,796	29,313,561
Advances, deposits, prepayments and other receivables	10	225,603,043	162,212,194
Spare parts		72,097,295	66,052,751
		<u>1,262,411,873</u>	<u>1,039,237,814</u>
<b>Non-current assets</b>			
Long term security deposits		50,000	25,438,002
Advance against diminishing musharaka financing - secured	11	3,989,600	-
Fixed assets in own use - tangible	12	90,837,612	89,824,374
Intangible asset for own use	13	7,463,843	4,607,899
Ijarah assets	14	6,275,875,712	6,052,241,909
		6,378,216,767	6,172,112,184
		<u>7,640,628,640</u>	<u>7,211,349,998</u>
<b>Total assets</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Creditors, accrued and other liabilities	15	896,920,724	705,874,296
Bai Muajjal - secured	16	99,690,149	99,714,147
Payable to the Modaraba Management Company	17	6,274,992	12,126,599
Current maturity of diminishing musharaka financing payable - secured	18	763,826,371	788,787,752
Current portion of security deposits	9	39,000,000	24,000,000
		<u>1,805,712,236</u>	<u>1,630,502,794</u>
<b>Non-current liabilities</b>			
Diminishing musharaka financing payable - secured	18	1,350,763,729	1,111,832,633
Deferred liability for staff gratuity		43,828,186	39,081,569
Other long-term employee benefit		6,798,948	7,260,216
Security deposits	9	25,500,000	40,500,000
		<u>1,426,890,863</u>	<u>1,198,674,418</u>
		<u>3,232,603,099</u>	<u>2,829,177,212</u>
<b>Total liabilities</b>			
<b>NET ASSETS</b>		<u>4,408,025,541</u>	<u>4,382,172,786</u>
<b>FINANCED BY: CAPITAL AND RESERVES</b>			
Authorized certificate capital			
225,000,000 (30 June 2016: 225,000,000)			
modaraba certificates of Rs.10 each		<u>2,250,000,000</u>	<u>2,250,000,000</u>
Issued, subscribed and paid-up certificate capital			
175,500,000 (30 June 2016: 175,500,000)			
modaraba certificates of Rs.10 each		1,755,000,000	1,755,000,000
Premium on issue of certificates		1,133,212,500	1,133,212,500
Statutory reserve		1,332,697,741	1,282,359,552
Unappropriated profit		187,115,300	211,600,734
		<u>4,408,025,541</u>	<u>4,382,172,786</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	19		

The annexed notes from 1 to 34 form an integral part of these condensed interim financial information.

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



**Murtaza Ahmed Ali**  
Chief Executive



**Abdol Rahim Suriya**  
Director



**Syed Feisal Ali**  
Director

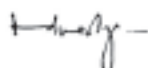
## Condensed Interim Profit and Loss Account (Unaudited)

For the six months & three months period ended 31 December 2016

	Note	Six months period ended		Three months period ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
<b>(Rupees)</b>					
Ijarah rentals - net	20	1,442,795,423	1,197,999,457	788,812,248	640,165,782
Operation and maintenance income - net	21	56,095,905	51,361,208	29,285,803	26,266,622
		1,498,891,328	1,249,360,665	818,098,051	666,432,404
Operating expenses	22	(1,103,020,098)	(969,211,826)	(585,405,222)	(501,006,800)
<b>Gross profit</b>		395,871,230	280,148,839	232,692,829	165,425,604
Administrative and distribution expenses	23	(80,576,190)	(64,529,608)	(48,095,615)	(38,726,583)
Provision against potential Ijarah losses and operation and maintenance income	9	(41,990,970)	(10,003,305)	(41,990,970)	(10,003,305)
Finance cost	24	(73,511,227)	(69,878,442)	(38,445,214)	(22,611,109)
Other income	25	3,593,778	9,608,724	13,157,942	4,942,162
		(192,484,609)	(134,802,631)	(115,373,857)	(66,398,835)
		203,386,621	145,346,208	117,318,972	99,026,769
Modaraba Management Company's remuneration	17.1	(2,033,866)	-	(2,033,866)	-
Workers' welfare fund	27	-	(2,906,924)	-	(1,980,535)
<b>Profit for the period before taxation</b>		201,352,755	142,439,284	115,285,106	97,046,234
Taxation	28	-	-	-	-
<b>Profit for the period after taxation</b>		201,352,755	142,439,284	115,285,106	97,046,234
<b>Earnings per certificate - basic and diluted</b>	29	1.15	0.97	0.66	0.66

The annexed notes from 1 to 34 form an integral part of these condensed interim financial information.

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



**Murtaza Ahmed Ali**  
Chief Executive



**Abdul Rahim Suriya**  
Director



**Syed Feisal Ali**  
Director



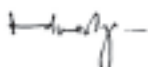
## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months & three months period ended 31 December 2016

	Six months period ended		Three months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(Rupees)			
Profit for the period after taxation	201,352,755	142,439,284	115,285,106	97,046,234
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>201,352,755</u>	<u>142,439,284</u>	<u>115,285,106</u>	<u>97,046,234</u>

The annexed notes from 1 to 34 form an integral part of these condensed interim financial information.

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



**Murtaza Ahmed Ali**  
Chief Executive



**Abdul Rahim Suriya**  
Director



**Syed Feisal Ali**  
Director

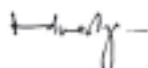
# Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended 31 December 2016

Note	Six months period ended	
	Dec 31, 2016	Dec 31, 2015
(Rupees)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation	201,352,755	142,439,284
<i>Adjustments for</i>		
Depreciation	388,831,132	361,812,561
Amortization	477,890	-
Provision against potential Ijarah losses and operation and maintenance income	41,990,970	10,003,305
Provision for deferred liabilities - gratuity	4,888,016	4,302,452
Financial charges including bank charges	71,637,975	69,878,442
Loss / (profit) on disposal of Ijarah assets	11,587,963	(3,872,302)
(Profit) / loss on disposal of fixed assets in own use	(411,450)	1,376,013
	519,002,496	443,500,471
	720,355,251	585,939,755
<i>(Increase) / decrease in assets</i>		
Ijarah rentals receivable	(124,048,719)	(162,704,022)
Operation and maintenance income receivable	(38,069,910)	(3,757,956)
Advances, deposits, prepayments and other receivable	(63,351,539)	(24,588,164)
Spare parts	(6,044,544)	(13,864,383)
Long-term security deposit	25,388,002	6,610,064
Diminishing musharaka financing	(3,989,600)	-
	(210,116,310)	(198,304,461)
<i>Increase in operating liabilities</i>		
Creditors, accrued and other liabilities	180,320,709	501,847,234
Payable to the Modaraba Management Company	(5,851,607)	3,215,988
Security deposits	-	25,500,000
	174,469,102	530,563,222
Cash generated from operations	684,708,043	918,198,516
Gratuity paid	(141,399)	(140,300)
Compensated absences paid	(461,268)	(501,265)
Financial charges paid	(60,442,501)	(70,744,903)
	(61,045,168)	(71,386,468)
<b>Net cash flows from operating activities</b>	623,662,875	846,812,048
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(686,232,030)	(439,687,539)
Proceeds from disposal of Ijarah assets	56,588,014	42,512,511
Proceeds from disposal of fixed assets in own use	1,655,500	2,127,557
Net cash flows from Investing activities	(627,988,516)	(395,047,471)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit distribution to the certificate holders	(176,009,065)	(292,500,000)
Subscription money received against the proposed issue of right certificates	-	627,806,707
Diminishing musharaka financing availed	675,313,385	289,366,570
Expenses against issuance of right certificates	-	(112,589)
Bai Muajjal financing availed	99,690,149	-
Repayment of diminishing musharaka financing	(461,343,674)	(447,212,585)
Repayment of Bai Muajjal facility	(99,714,147)	-
<b>Net cash flows from financing activities</b>	37,936,648	177,348,103
<b>Net increase in cash and cash equivalents</b>	33,611,007	629,112,680
Cash and cash equivalents at the beginning of the period	57,352,972	74,506,845
Cash and cash equivalents at the end of the period	90,963,979	703,619,525

The annexed notes from 1 to 34 form an integral part of these condensed interim financial information.

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



**Murtaza Ahmed Ali**  
Chief Executive



**Abdul Rahim Suriya**  
Director



**Syed Feisal Ali**  
Director

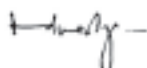
## Condensed Interim Statement of Changes in Equity (Unaudited)

For the six months period ended 31 December 2016

	Issued, subscribed and paid up certificate capital	Advance against subscription of right certificates	Premium on issue of certificates	Statutory reserve	Un- appropriated profit	Total
(Rupees)						
Balance as on 1 July 2015	1,462,500,000	-	744,187,500	1,179,593,334	317,589,193	3,703,870,027
Total comprehensive income for the six months period ended 31 December 2015	-	-	-	-	142,439,284	142,439,284
Transfer to statutory reserve (at 25% of the profit for the period)	-	-	-	35,609,821	(35,609,821)	-
<b>Transaction with owners - recorded directly in equity</b>						
Advance against subscription of right certificates	-	627,806,707	-	-	-	627,806,707
Expenses against issuance of right certificates	-	-	-	-	(112,589)	(112,589)
Profit distribution for the year ended 30 June 2015 @ Rs. 2.00 per certificate declared subsequent to the year end	-	-	-	-	(292,500,000)	(292,500,000)
Balance as on 31 December 2015	1,462,500,000	627,806,707	744,187,500	1,215,203,155	131,806,067	4,181,503,429
Balance as on 1 July 2016	1,755,000,000	-	1,133,212,500	1,282,359,552	211,600,734	4,382,172,786
Total comprehensive income for the six months period ended 31 December 2016	-	-	-	-	201,352,755	201,352,755
Transfer to statutory reserve (at 25% of the profit for the period)	-	-	-	50,338,189	(50,338,189)	-
<b>Transaction with owners - recorded directly in equity</b>						
Profit distribution for the year ended 30 June 2016 @ Rs. 1.00 per certificate declared subsequent to the year end	-	-	-	-	(175,500,000)	(175,500,000)
<b>Balance as at 31 December 2016</b>	<b>1,755,000,000</b>	<b>-</b>	<b>1,133,212,500</b>	<b>1,332,697,741</b>	<b>187,115,300</b>	<b>4,408,025,541</b>

The annexed notes from 1 to 34 form an integral part of these condensed interim financial information.

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



**Murtaza Ahmed Ali**  
Chief Executive



**Abdul Rahim Suriya**  
Director



**Syed Feisal Ali**  
Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the six months period ended 31 December 2016

## 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 Companies Ordinance, 1984 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 10 May 2006, authorized Allied Engineering Management Company (Private) Limited to float Allied Rental Modaraba (the Modaraba). The Modaraba commenced its operations on 10 January 2007.

The Modaraba is a perpetual Modaraba and is primarily engaged in rental / Ijarah and operation and maintenance of Caterpillar and other equipment (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.

- 1.2** Effective from 10 January 2007, the Modaraba took over the rental business transactions and the related equipments of Allied Rental Services (Private) Limited (ARSL - an associated undertaking). The assets and liabilities acquired by the Modaraba comprise of certain fixed assets, the related lease liabilities. These were taken over under a prospectus floated by the Modaraba and approved by the SECP.
- 1.3** The JCR-VIS Credit Rating Company Limited has assigned long term A+ rating and short term A-1 rating to the Modaraba.

## 2. BASIS OF PRESENTATION

### 2.1 Statement of compliance

These condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountant of Pakistan, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, IFASs, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, IFASs, Modaraba Companies and Modaraba Rules, 1981, or the directives issued by SECP shall prevail.

- 2.2** The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial information does not include all the information required for a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended 30 June 2016.
- 2.3** The comparative balance sheet presented in these condensed interim financial information as at 31 December 2016 has been extracted from the audited financial statements of the Modaraba for the year ended 30 June 2016, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the six months period ended 31 December 2015 have been extracted from the unaudited condensed interim financial information for the period then ended.

**2.4** These condensed interim financial information comprise of the balance sheet as at 31 December 2016 and profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the six months period ended 31 December 2016 which have been subjected to a review but not audited.

**2.5** Functional and presentation currency

These condensed interim financial information is presented in Pakistani Rupees which is also the Modaraba's functional currency and all financial information presented has been rounded off to the nearest Rupee, unless otherwise stated.

### **3. ACCOUNTING POLICIES**

**3.1** The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the published financial statements as at and for the year ended 30 June 2016. However during the period, the Modaraba adopted the accounting policies as follows:

**3.2** Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent costs are included in the assets' carrying amounts or recognized as separate assets, as appropriate, only where 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. Amortization is charged to income using the straight line method in accordance with the rates specified in note 13 to these financial statements. The useful lives and amortization method are reviewed and adjusted, as appropriate, at each reporting date. Amortization 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 profit and loss account in the period in which these arise.

**3.3** Revenue recognition on Diminishing Musharaka

Profit on Diminishing Musharaka arrangements is recognized under the effective profit rate method based on the outstanding amount.

**3.4** Amendment and interpretation to approved accounting standards effective During the period certain amendments and interpretation to approved accounting standards became effective. However, these are either not relevant to the Modaraba's operation and/or do not have any impact on the accounting policies of the Modaraba.

### **4. ESTIMATES AND JUDGMENTS**

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimation and uncertainty those are the same as those that applied to the financial statements as at and for the year ended 30 June 2016.

### **5. FINANCIAL RISK MANAGEMENT**

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 30 June 2016.

	Note	Unaudited Dec 31, 2016	Audited Jun 30, 2016
(Rupees)			
<b>6. CASH AND BANK BALANCES</b>			
Balances with banks in:			
- current accounts		19,764,149	23,246,592
- deposit accounts	6.1	65,409,092	33,288,630
		85,173,241	56,535,222
Cash in hand		5,790,738	817,750
		90,963,979	57,352,972
<b>6.1</b>	These balances carry profit at rates ranging from 4.05% to 5.10% per annum (30 June 2016: 3.8% to 5.8% per annum).		
<b>7. IJARAH RENTALS RECEIVABLE</b>			
Considered good		631,805,958	549,646,312
Considered doubtful (classified portfolio)		238,458,555	212,351,349
		870,264,513	761,997,661
Provision against potential Ijarah losses	9	(63,002,753)	(37,691,325)
		807,261,760	724,306,336
<b>8. OPERATION AND MAINTENANCE INCOME RECEIVABLE</b>			
Considered good		55,737,930	23,205,097
Considered doubtful (classified portfolio)		12,767,926	7,391,269
		68,505,856	30,596,366
Provision against operation and maintenance income receivable	9	(2,020,060)	(1,282,805)
		66,485,796	29,313,561
<b>9. PROVISION AGAINST POTENTIAL IJARAH LOSSES AND OPERATION AND MAINTENANCE INCOME RECEIVABLE</b>			

	31 December 2016 (Unaudited)			30 June 2016 (Audited)		
	Ijarah rental receivable	Operation and maintenance receivable	Total	Ijarah rental receivable	Operation and maintenance receivable	Total
(Rupees)						
Opening balance	37,691,325	1,282,805	38,974,130	30,095,753	4,801,786	34,897,539
Charge for the period	41,093,295	897,675	41,990,970	20,903,099	-	20,903,099
Reversals made during the period	-	-	-	-	(1,653,040)	(1,653,040)
Write-offs against provision during the period	(15,781,867)	(160,420)	(15,942,287)	(13,307,527)	(1,865,941)	(15,173,468)
	25,311,428	737,255	26,048,683	7,595,572	(3,518,981)	4,076,591
Closing balance	63,002,753	2,020,060	65,022,813	37,691,325	1,282,805	38,974,130

Ijarah rental includes exposure which are secured by way of cash deposits of Rs. 64.5 million (30 June 2016: Rs. 64.5 million).

In accordance with the prudential regulations for the Modaraba issued by the Securities and Exchange Commission of Pakistan, the Modaraba during the current six months period decided to take the benefit of cash deposit collaterals held by the Modaraba in respect of its non-performing portfolio. Such collaterals held in case of the non-performing portfolio as at 31 December 2016 amounted to Rs. 54.5 million. Due to the consideration of this benefit available with the Modaraba, profit for the six month period ended 31 December 2016 and the balance of provisions against the potential Ijarah losses as of the period end is respectively higher and lower by Rs. 10.574 million.

	Note	Unaudited Dec 31, 2016	Audited Jun 30, 2016
(Rupees)			
<b>10. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Income tax recoverable	10.1	90,972,520	58,183,143
FED receivable	19.1.2	50,000,000	50,000,000
Advances (unsecured) :			
- to contractors		1,459,916	1,519,834
- to suppliers		18,523,476	7,609,796
- to employees against salary		1,246,682	2,127,919
- to employees for expenses	10.2	1,267,006	1,213,779
Ijarah rentals paid in advance		9,962,104	11,902,342
Insurance claim receivable		520,654	161,238
Security deposits	10.3	50,210,142	29,250,935
Accrued income on profit or loss sharing bank accounts		75,698	36,388
Prepayments		1,127,582	-
Others		237,263	206,820
		<u>225,603,043</u>	<u>162,212,194</u>

- 10.1** This represents tax collected at source at import stage by the Collector of Customs and deducted from various payments made to the Modaraba.
- 10.2** This represents advance given to employees for expenses. The maximum amount receivable at the end of any month during the period was Rs. 1.302 million (30 June 2016: Rs. 1.958 million).
- 10.3** This includes current portion of long-term security deposits amounting to Rs. 25.388 million (30 June 2016: Rs. 6.610 million) paid against Ijarah finance contracts IFAS - 2 and are refundable / adjustable on the expiry of lease period which is within one year.

This also include Rs. 11.8 million (30 June 2016: Rs. 11.3 million) held by Banks as security for the guarantee of the same amount given by them on behalf of the Modaraba to its suppliers / customers.

	Unaudited Dec 31, 2016	Audited Jun 30, 2016
(Rupees)		
<b>11. ADVANCE AGAINST DIMINISHING MUSHARAKA - secured</b>		
Auto finance (motor bikes)	3,989,600	-

This represent advance availed by a customer which will be converted into diminishing musharaka facility when the assets are available intended for use. It is secured against a demand promissory note in favour of the Modaraba for the amount of the Musharaka investment of Rs. 3.89 million and vehicles (which were received by the customer subsequent to the period end). The balance carries a profit rate at 15% per annum and is payable by 27 June 2018.

	Note	Unaudited Dec 31, 2016	Audited Jun 30, 2016
(Rupees)			
<b>12. FIXED ASSETS IN OWN USE - tangible</b>			
Fixed assets in own use - tangible	12.1	86,779,061	89,824,374
Capital Work-In-Progress	12.2	4,058,551	-
		<u>90,837,612</u>	<u>89,824,374</u>

### 31 December 2016 (Unaudited)

#### 12.1 Fixed Assets In Own Use - Tangible

At 01 July 2016

	Furniture, fixtures and office equipment	Vehicles	Total
Cost	17,729,596	104,966,567	122,696,163
Accumulated depreciation	(7,098,236)	(25,773,553)	(32,871,789)
Net book value	10,631,360	79,193,014	89,824,374

Additions

	1,169,509	3,265,746	4,435,255
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Disposals

Cost	(22,000)	(2,390,110)	(2,412,110)
Accumulated depreciation	3,911	1,175,615	1,179,526
	(18,089)	(1,214,495)	(1,232,584)

Depreciation charge for the period

	(1,154,565)	(5,093,419)	(6,247,984)
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Closing net book value

At 31 December 2016

Cost	18,877,105	105,842,203	124,719,308
Accumulated depreciation	(8,248,890)	(29,691,357)	(37,940,247)
Net book value	10,628,215	76,150,846	86,779,061

Life (Years)

3 to 8

6 to 8

### 30 June 2016 (Audited)

At 01 July 2015

	Furniture, fixtures and office equipment	Vehicles	Total
Cost	10,637,445	90,526,706	101,164,151
Accumulated depreciation	(5,144,131)	(19,944,362)	(25,088,493)
Net book value	5,493,314	70,582,344	76,075,658

Additions

	7,118,151	24,818,861	31,937,012
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Disposals

Cost	(26,000)	(10,379,000)	(10,405,000)
Accumulated depreciation	20,800	3,601,896	3,622,696
	(5,200)	(6,777,104)	(6,782,304)

Depreciation charge for the period

	(1,974,905)	(9,431,087)	(11,405,992)
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Closing net book value

At 30 June 2016

Cost	17,729,596	104,966,567	122,696,163
Accumulated depreciation	(7,098,236)	(25,773,553)	(32,871,789)
Net book value	10,631,360	79,193,014	89,824,374

Life (Years)

3 to 8

6 to 8



	Note	Unaudited Dec 31, 2016	Audited Jun 30, 2016
(Rupees)			
<b>13. INTANGIBLE ASSET FOR OWN USE</b>			
Intangible asset for own use	13.1	7,168,348	-
Capital Work-In-Progress (advance to the supplier for the software)	13.2	295,495	4,607,899
		<u>7,463,843</u>	<u>4,607,899</u>
<b>13.1</b> Cost - computer software (addition during the period)		7,646,238	-
Amortization during the period		(477,890)	-
Carrying value as at the period / year-end		<u>7,168,348</u>	<u>-</u>
Life over which cost of the asset is amortized		4 years	-
<b>13.2</b> Capital work in progress figure given above for the previous year was earlier separately presented in the Balance Sheet. This however has been recassified and included in intangible asset to reflect the substance of the balance.			
<b>14. IJARAH ASSETS</b>			
Ijarah assets at cost less accumulated depreciation	14.1	5,884,426,943	5,726,199,177
Capital Work-In-Progress	14.2	391,448,769	326,042,732
		<u>6,275,875,712</u>	<u>6,052,241,909</u>
<b>14.1</b> Ijarah assets - at cost less accumulated depreciation			

### 31 December 2016 (Unaudited)

	Generators, material handling / transportation vehicles and related equipment	Machines	Total
(Rupees)			
At 01 July 2016			
Cost	8,147,104,314	363,400,318	8,510,504,632
Accumulated depreciation	(2,724,722,965)	(59,582,490)	(2,784,305,455)
Net book value	<u>5,422,381,349</u>	<u>303,817,828</u>	<u>5,726,199,177</u>
Additions	427,778,362	181,220,068	608,998,430
Disposals			
Cost	(170,241,729)	(6,772,102)	(177,013,831)
Accumulated depreciation	106,254,213	2,572,102	108,826,315
	(63,987,516)	(4,200,000)	(68,187,516)
Depreciation charge for the period	(371,784,512)	(10,798,636)	(382,583,148)
Closing net book value	<u>5,414,387,683</u>	<u>470,039,260</u>	<u>5,884,426,943</u>
At 31 December 2016			
Cost	8,404,640,947	537,848,284	8,942,489,231
Accumulated depreciation	(2,990,253,264)	(67,809,024)	(3,058,062,288)
Net book value	<u>5,414,387,683</u>	<u>470,039,260</u>	<u>5,884,426,943</u>
Life (Years)	1 to 12	4 to 10	

**30 June 2016 (Audited)**

	<b>Generators, material handling / transportation vehicles and related equipment</b>	<b>Machines</b>	<b>Total</b>
	<b>(Rupees)</b>		
At 01 July 2015			
Cost	6,984,318,113	289,098,132	7,273,416,245
Accumulated depreciation	(2,107,576,117)	(63,698,141)	(2,171,274,258)
Net book value	4,876,741,996	225,399,991	5,102,141,987
Additions	1,292,283,495	131,490,516	1,423,774,011
Disposals			
Cost	(129,497,294)	(57,188,330)	(186,685,624)
Accumulated depreciation	63,534,064	18,167,395	81,701,459
	(65,963,230)	(39,020,935)	(104,984,165)
Depreciation charge for the period	(680,680,912)	(14,051,744)	(694,732,656)
Closing net book value	5,422,381,349	303,817,828	5,726,199,177
At 30 June 2016			
Cost	8,147,104,314	363,400,318	8,510,504,632
Accumulated depreciation	(2,724,722,965)	(59,582,490)	(2,784,305,455)
Net book value	5,422,381,349	303,817,828	5,726,199,177
Life (Years)	1 to 12	4 to 10	

**14.1.1** During the period, the Modaraba acquired certain equipment and parts amounting to Rs. 49.862 million (30 June 2016: Rs. 68.015 million) from Allied Engineering and Services (Private) Limited (AESL), an associated company.

**14.1.2** Additions to Ijarah assets during the period include assets amounting to Rs. 357.279 million (30 June 2016: Rs. 1,399.898 million) acquired under Diminishing Musharaka financing. The Modaraba holds title to these assets.

**14.1.3** As at 31 December 2016, cost of total assets acquired from banks and financial institutions under Ijarah arrangements IFAS - 2 amounts to Rs. 253.426 million (30 June 2016: Rs. 308.936 million) which do not form part of the assets of the Modaraba in accordance with the requirements of IFAS - 2. These assets have been sub-let by the Modaraba under Ijarah arrangements IFAS - 2. During the period assets amounting to Rs. Nil (30 June 2016: Nil) have been acquired under Ijarah arrangements.

During the period, assets acquired under Ijarah arrangements IFAS - 2 amounting to Rs. 6.601 million (30 June 2016: Rs. 18.720 million) have been transferred / sold to the Modaraba after expiry of the respective Ijarah agreement and are included in additions during the year.

**14.2** This represents advance for certain machineries, equipments and vehicles that will be transferred to the Ijarah assets and advance paid for purchase of generators which are under installation.

	<b>Note</b>	<b>Unaudited Dec 31, 2016</b>	<b>Audited Jun 30, 2016</b>
		<b>(Rupees)</b>	
Advances for machinery and equipment	14.2.1	15,315,437	19,857,739
Assets under installation	14.2.1	311,133,332	306,184,993
Advance for vehicles		65,000,000	-
		391,448,769	326,042,732

**14.2.1** Capital work in progress figure given above for the previous year was earlier separately presented in the Balance Sheet. This however has been reclassified and included in Ijarah assets to reflect the substance of the balance.

	Note	Unaudited Dec 31, 2016	Audited Jun 30, 2016
(Rupees)			
<b>15. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>			
Creditors for goods	15.1	549,489,179	373,720,791
Creditors for expenses		62,469,951	55,466,805
Advances from customers		85,907,069	103,964,649
Security deposit	15.2	200,000	200,000
Employee car scheme - deductions	15.3	16,900,292	14,640,492
Dividend payable		796,363	1,305,428
Accrued expenses			
- Accrued commission		1,809,821	-
- Accrued staff bonus		35,116,528	17,430,128
- Auditor's remuneration		575,000	602,887
- Accrued financial charges	15.4	38,158,726	26,923,942
- Miscellaneous		2,640,487	2,028,192
		78,300,562	46,985,149
Tax deduction at source from			
- employees		590,051	201,015
- suppliers		1,926,599	2,944,045
Sindh sales tax		14,185,854	7,137,759
Punjab sales tax		84,615,213	87,244,820
Ijarah rental payable	15.5	1,539,591	6,056,223
Workers' Welfare Fund payable	27	-	6,007,120
		<u>896,920,724</u>	<u>705,874,296</u>

**15.1** This includes Rs. 336.966 million (30 June 2016: Rs. 227.630 million) payable to Allied Engineering and Services (Private) Limited (an associated company) for various purchases and services availed by the Modaraba.

**15.2** This represents amount received as security deposit from contractors providing contractual staff to the Modaraba.

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

**15.4** This represents accrual of financial charges in respect of Diminishing Musharaka Financing.

**15.5** This represents Ijarah rentals payable to various banks and modarabas in respect of asset obtained under Ijarah arrangements IFAS - 2.

	Note	Unaudited Dec 31, 2016	Audited Jun 30, 2016
(Rupees)			
<b>16. BAI MUAJJAL - secured</b>		<u>99,690,149</u>	<u>99,714,147</u>

This represents Bai Muajjal arrangement from a bank carrying profit at the rate of 7.04% (30 June 2016: 7.47%) and will mature on 20 January 2017 (30 June 2016: 12 July 2016). It is secured by way of hypothecation charge over generators amounting to Rs. 167 millions (30 June 2016: Rs. 167 millions).

**17. PAYABLE TO THE MANAGEMENT COMPANY**

Remuneration payable to Management Company - net	17.1	2,737,496	8,589,103
Sindh Sales Tax payable on remuneration of Management Company	26	3,537,496	3,537,496
		<u>6,274,992</u>	<u>12,126,599</u>

**17.1** The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 up to a maximum of 10% per annum of the net annual profits of the Modaraba. During the period, the Modaraba recorded liability for remuneration at 1% of the profit for the six months period ended 31 December 2016. Remuneration based on the annual results shall be paid after the year ending 30 June 2017. During the previous six months period ended 31 December 2015, remuneration was not recorded although the remuneration on the annual profit were recorded in the annual financial statements for the year ended 30 June 2016. However, the amount involved for the previous six months period is Rs. 4.273 million (based on the previous annual remuneration rate), which is not consider to be material.

**18. DIMINISHING MUSHARAKA FINANCING PAYABLE - secured**

	Note	Unaudited Dec 31, 2016	Audited Jun 30, 2016
(Rupees)			
Musharaka finance Due within one year	18.1 & 18.3	2,114,590,100 (763,826,371) <u>1,350,763,729</u>	1,900,620,385 (788,787,752) <u>1,111,832,633</u>
<b>18.1</b> Financing from banking and financial institutions Financing from modarabas		<u>1,915,753,078</u> <u>198,837,022</u> <u>2,114,590,100</u>	<u>1,873,512,801</u> <u>27,107,584</u> <u>1,900,620,385</u>

**18.2** These facilities have maturities from January 2017 to September 2021 (30 June 2016: July 2016 to January 2021) and are secured against hypothecation of Ijarah assets amounting to Rs. 4,403.278 million (30 June 2016: 6,035.868 million) and demand promissory notes. Share of profit payable on these facilities ranges from 6.49% to 8.15% (30 June 2016: 6.55% to 8%).

**18.3** This includes advance for diminishing musharaka amounting to Rs. 404.054 million (30 June 2016: 279.912 million) which will be converted subsequent to the period end into diminishing musharaka facility when assets will be available for its intended use. Share of profit payable on this balance is 7% and 7.65% per annum (on Rs. 384.206 million and Rs. 19.848 million respectively).

**19. CONTINGENCIES AND COMMITMENTS**

**19.1 Contingencies**

Contingencies outstanding as at 31 December 2016 are as follows:

**19.1.1 Sindh Sales Tax on operations and maintenance services of the Modaraba**

During the year ended 30 June 2014, the Assistant Commissioner - Sindh Revenue Board (SRB) issued an order no. 160 of 2013 dated 12 July 2013 demanding Sindh Sales Tax of Rs. 25.633 million @ 16% on total Operation & Maintenance income of the Modaraba of Rs. 160.204 million for the year ended 30 June 2012.

Considering the nature of Operation & 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 - Sindh Revenue Board (SRB). Simultaneously, the Modaraba also filed a Constitutional petition in the Honorable High Court of Sindh relating to the levy of Sindh Sales Tax by virtue of which the Honorable High Court of Sindh kindly stayed the demand of Sindh Sales Tax vide its order dated 11 October 2013. However, subsequently the Honorable High Court of Sindh issued a judgment dated 27 January 2014 directing SRB not to take any coercive action against Allied Rental Modaraba, till the decision has been reached in Appeal which was pending before the Commissioner Appeals - Sindh Revenue Board (SRB).

The Commissioner Appeals- Sindh Revenue Board (SRB) vide his order in appeal number 16/2014 dated 25 February 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 has filed a Constitutional Petition CP No. D-1190 in the Honorable High Court of Sindh against the order of the Commissioner Appeals - Sindh Revenue Board (SRB) by virtue of which the Honorable High Court of Sindh vide its order dated 11 March 2014 has suspended the operation of the impugned order of the Commissioner Appeals - SRB. Subsequently, the Sindh Revenue Board Tribunal has been constituted and has become functional in June 2015. The Modaraba, on direction of the Honorable High Court of Sindh, has filed an appeal to the tribunal the outcome of which is pending. The Management believes that the outcome of the appeal will be in favor of the Modaraba and hence no provision has been made in these financial statements.

### 19.1.2 Federal Excise Duty on gross revenue receipts of the Modaraba

On 01 March 2016, assessment orders relating to tax years 2014 and 2015 were received from the Assistant Commissioner of Inland Revenue demanding Federal Excise Duty (FED) aggregating to Rs 838.662 million (calculated @16% of gross receipts of the Modaraba for the above mentioned tax years) and 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 16 March 2016. An under protest payment of Rs 50 million was also made by the Modaraba to the Federal Board of Revenue 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 Honorable 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 02 June 2016 in which the SHC declared the levy of FED as 'ultra vires' with effect from 01 July 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 03 June 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 has filed appeals with the Honorable Appellate Tribunal Inland Revenue (ATR) which is pending hearing.

Subsequently, appeals have been filed in the Honorable Supreme Court of Pakistan by the counter parties aggrieved by the above mentioned order of SHC which is pending hearing.

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 ATR and Supreme Court of Pakistan 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 10 to these financial statements.

### 19.1.3 Please refer note 10.3 also regarding certain guarantees given on behalf of the Modaraba.

	(Unaudited) 31 December 2016				(Audited) June 30, 2016			
	Due within one year	Due after one year but within five years	Due after five years	Total	Due within one year	Due after one year but within five years	Due after five years	Total
	(Rupees)							
Rentals receivable in future	94,939,500	115,431,018	-	310,370,518	156,190,000	-	-	156,190,000

This represents the rentals receivable by the Modaraba in future periods in respect of Ijarah assets given under long-term arrangements.

### 19.2.2 Contractual rentals payable on Ijarah contracts

This represents amount payable against Ijarah arrangements with various financial institutions. Details of these amounts payable are as follows:

	(Unaudited) 31 December 2016			(Audited) June 30, 2016		
	Due within one year	Due after one year	Total	Due within one year	Due after one year	Total
	(Rupees)					
Rentals payable in future	36,753,525	-	36,753,525	91,777,625	852,375	92,630,000

Assets acquired under the above arrangements have been further sub-let under Ijarah arrangements IFAS - 2. During the period, an expense of Rs. 52.170 million (31 December 2015: Rs. 95.891 million) and income of Rs. 57.789 million (31 December 2015: Rs. 44.882 million) was recognized under the above Ijarah arrangements and as at the period end Rs. 1.539 million (30 June 2016: Rs. 6.056 million) was due under these arrangements. The cost of assets acquired under Ijarah arrangements as at 31 December 2016 is Rs. 253.426 million (30 June 2016: Rs. 308.936 million) (note: 14.4).

**19.2.3** Commitments under letter of credit for purchase of Ijarah assets as at 31 December 2016 amounted to Rs. 96.297 million (30 June 2016: Nil).

**19.2.4** Commitments under capital expenditure amounting to Rs. 8.476 million (30 June 2016: 39.806 million).

**20. IJARAH RENTALS -net**

	Six months period ended		Three months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(Rupees)			
Ijarah rentals	1,568,617,806	1,233,017,611	865,504,168	665,669,732
Less: Punjab sales tax	(109,885,032)	(35,018,154)	(68,051,068)	(25,503,950)
Less: Sindh sales tax	(15,937,351)	-	(8,640,852)	-
	<u>1,442,795,423</u>	<u>1,197,999,457</u>	<u>788,812,248</u>	<u>640,165,782</u>

**21. OPERATION AND MAINTENANCE**

**INCOME -net**

Operation and maintenance

income	61,575,815	55,784,745	32,044,826	28,569,949
Less: Sindh sales tax	(5,479,910)	(4,423,537)	(2,759,023)	(2,303,327)
	<u>56,095,905</u>	<u>51,361,208</u>	<u>29,285,803</u>	<u>26,266,622</u>

**22. OPERATING EXPENSES**

Salaries, wages and other

staff benefits		297,697,854	294,792,573	150,759,443	160,979,366
Depreciation expense	14.1	382,583,148	356,392,003	200,894,236	178,219,294
Repairs and maintenance cost		159,961,619	139,861,271	93,239,930	62,950,676
Ijarah rentals		52,170,213	95,891,030	24,420,687	51,108,986
Fleet vehicles running cost		166,818,751	43,792,156	92,818,783	29,093,778
Vehicles running cost		8,272,385	9,832,369	3,315,949	3,368,453
Insurance cost - equipments		14,091,566	15,125,003	6,654,284	7,080,975
Travelling and conveyance		8,355,458	7,469,344	3,010,938	4,260,192
Rent expense		13,069,104	6,056,077	10,290,972	3,945,080
		<u>1,103,020,098</u>	<u>969,211,826</u>	<u>585,405,222</u>	<u>501,006,800</u>

**23. ADMINISTRATIVE AND DISTRIBUTION EXPENSES**

	Six months period ended		Three months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(Rupees)			
Salaries, wages and other staff benefits	45,655,971	33,960,229	28,090,184	20,704,904
Vehicle running costs	3,146,780	3,415,002	2,091,294	1,681,624
Travelling and conveyance	3,340,109	3,574,836	1,696,123	1,732,263
Depreciation expense	12.1 6,247,984	5,420,558	3,104,688	2,762,007
Amortization expense	13.1 477,890	-	477,890	-
Legal and professional charges	6,607,837	2,590,037	3,173,005	922,356
Auditors' remuneration	704,581	575,000	704,581	575,000
Telephone, postage and fax charges	2,292,991	1,715,341	1,362,864	1,019,640
Advertisement and sales promotion	236,740	1,477,996	152,997	1,336,260
Printing and stationery	3,001,096	1,898,605	2,522,588	1,137,505
Insurance cost - vehicles	1,029,536	985,572	514,326	536,783
Training, meetings and tender participation	436,776	1,817,007	248,824	1,179,945
Donation	355,000	475,000	30,000	475,000
Software development	634,930	-	316,613	-
Entertainment	3,491,664	2,219,327	2,475,183	1,609,420
Utilities	1,831,411	3,277,991	614,846	2,508,187
Security	1,046,629	983,281	488,329	516,089
Miscellaneous	38,265	143,826	31,280	29,600
	80,576,190	64,529,608	48,095,615	38,726,583

**24. FINANCE COST**

Financial cost on Musharaka Finance	72,713,683	69,479,841	38,052,444	22,458,455
Bank charges and commission	797,544	398,601	392,770	152,654
	73,511,227	69,878,442	38,445,214	22,611,109

**25. OTHER INCOME - net**

Profit on deposit accounts with bank	1,873,252	2,210,563	1,203,188	1,126,970
Profit on term deposit placement with bank	384,247	-	384,247	-
Proceeds for disposal of scrap (Loss) / gain on disposal of fixed assets and Ijarah - net	(11,176,513)	2,496,289	(1,479,966)	617,983
Reversal of provision of WWF	27 6,007,120	-	7,763,603	-
Exchange gain	839,728	178,426	1,505,113	82,294
	3,593,778	9,608,724	13,157,942	4,942,162

## **26. SINDH SALES TAX ON MANAGEMENT COMPANY'S REMUNERATION**

The Sindh Revenue Board (SRB) has imposed Sindh Sales Tax on the Modaraba Management Company's remuneration w.e.f 01 November 2011. In view of the fact that the remuneration is profit sharing rather than a fixed fee against rendering of management services by the Modaraba Management Company, the NBFC and Modaraba Association, on behalf of a number of Modarabas filed a constitutional petition in the honorable High Court of Sindh against which the Honorable High Court of Sindh kindly granted an interim stay order.

Subsequently, the Honorable High Court of Sindh, in its judgment dated 27 April 2015, directed the aggrieved parties to seek remedy in accordance with the law, on the basis of which the Assistant Commissioner - SRB issued a letter to the Modaraba Management Company mentioning the amount of sales tax liability and its payment thereof to the SRB. The matter is being pleaded by the Modaraba Management Company with the SRB asking for appropriate legal procedures to be followed by the SRB in accordance with the Sindh Sales Tax Act, 2011 for the determination of sales tax liability.

The matter is pending at the SRB for adjudication and hearing. However, taking a prudent view, provision for Sindh Sales Tax is being held in these condensed interim financial information.

## **27. WORKERS' WELFARE FUND**

The Supreme Court of Pakistan passed a judgment on 10 November 2016, which upheld the view of Lahore High Court, declaring the insertion of amendments introduced in the Finance Acts 2006 and 2008 pertaining to Workers Welfare Fund (WWF) as unlawful and thereby striking down the amendments introduced through these Finance Acts. The Federal Board of Revenue has filed a review petition against the above judgment. These petitions are currently pending with the Supreme Court of Pakistan.

The provision against Federal Workers Welfare Fund for the year ended 30 June 2016 has been reversed, based on the above Supreme Court's Judgment.

Furthermore, the Sindh Revenue Board (SRB) had written to Modaraba in February 2016 to register and pay Sindh Workers Welfare Fund (SWWF). The Modaraba is of the view that Sindh WWF Act is limited to the province of Sindh and the definition of total income as provided for in the SWWF encompasses the total income of an assessee for whole of the country i.e. for all provinces, thus in lieu of the definition of the total income under SWWF, 2% contribution is to be paid is not limited to the province of Sindh. The Modaraba has its operations all across Pakistan therefore total income declared in its tax return is a cumulative sum of income for all provinces. Thus for this reason the definition of total income as provided in SWWF is not correct and charging of WWF is ultra vires of the legislative power conferred upon the province of Sindh. As a result, the Modaraba is of the view that unless there is a mechanism of apportionment of the total income relevant to the province of Sindh, SRB has no legal authority to demand and/or collect SWWF from the Modaraba.

Therefore, based on above grounds the Modaraba, has filed a petition CPD: 935/2017 dated 15 February 2017 in the Sindh High Court. The Management of the Modaraba is hopeful of a favourable outcome of its appeal. Nonetheless, the amount involved is not considered to be material.

## **28. TAXATION**

- 28.1** As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes 90% of its profits to its certificate holders for the year after meeting appropriation for statutory reserves. The Modaraba intends to continue to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation for statutory reserves for the year ending 30 June 2017. Accordingly, no provision in respect of current and deferred tax has been made in these condensed interim financial information.



**28.2** The income tax returns of the Modaraba have been filed up to the financial year ended 30 June 2016 which are deemed assessed under the Income Tax Ordinance 2001, unless selected for audit by the taxation authorities.

**29. EARNINGS PER CERTIFICATE**

	Six months period ended		Three months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	<b>(Rupees)</b>			
Profit for the period	201,352,755	142,439,284	115,285,106	97,046,234
	<b>(Number of certificates)</b>			
Weighted average number of ordinary certificates outstanding during the period	175,500,000	146,250,000	175,500,000	146,250,000
	<b>(Rupees)</b>			
Earnings per certificate - basic & diluted	1.15	0.97	0.66	0.66

**29.1** No figure for diluted earnings per certificate has been presented as the Modaraba has not issued an instrument which would have an impact on basic earnings per certificate when exercised.

**30. RELATED PARTY TRANSACTIONS**

The related parties comprise of major certificate holders and their close family members, directors of the management company and their close family members, key management personnel of the Management Company and their close family members, the provident fund trust and the entities with common directors or under common management and control.

Contribution to the provident fund is made in accordance with the services rules. Modaraba management fee, if any, is accrued in accordance with the requirements of Modaraba Regulations. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are carried out at agreed terms.

**30.1** Detail of transactions with related parties during the period are as follows:

	Six months period ended	
	Unaudited Dec 31, 2016	Unaudited Dec 31, 2015
	<b>(Rupees)</b>	
<b>Allied Engineering Management Company (Private) Limited (Modaraba Management Company)</b>		
Modaraba Management Company's remuneration	2,033,866	-
Payment made to the Modaraba Management Company (including Management Fee) during the period	8,830,466	1,784,012
Amount received from the Modaraba Management Company during the year	-	5,000,000
Amount received against subscription of right certificates	-	136,305,000
Dividend paid during the period	35,100,000	58,500,000

	<b>Six months period ended</b>	
	<b>Unaudited Dec 31, 2016</b>	<b>Unaudited Dec 31, 2015</b>
	<b>(Rupees)</b>	
<b>Allied Engineering and Services (Private) Limited (holding company of the Modaraba Management Company)</b>		
Purchase of assets	49,861,953	49,292,057
Purchase of parts and services	135,602,873	134,377,238
Sale of rental assets and rent revenue	6,259,576	900,000
Advance received against subscription of right certificates	-	252,985,226
Reimbursement of expenses	10,613,179	3,646,854
Advance received from Allied Engineering Services (Private) Limited	-	292,500,000
Payments made during the period	78,970,340	43,561,621
Dividend paid	85,146,412	108,577,354
<b>Allied Engineering and Services (Private) Limited - Staff Provident Fund</b>		
Contribution to the staff provident fund during the period	4,471,417	3,981,843
Dividend paid	2,979,407	4,783,592
<b>Key management personnel</b>		
Remuneration	32,111,662	29,255,214
<b>Directors of Management Company</b>		
Dividend paid	2,783,937	5,567,874

**30.2** Details of balances with related parties as at period end are as follows:

	<b>Unaudited Dec 31, 2016</b>	<b>Audited Jun 30, 2016</b>
	<b>(Rupees)</b>	
	<b>Allied Engineering Management Company (Private) Limited (Modaraba Management Company)</b>	
Outstanding certificates 35,100,000 (30 June 2016: 35,100,000)	351,000,000	351,000,000
Payable to the Modaraba Management Company (including sales tax on Management Company remuneration)	6,274,992	12,126,599
<b>Allied Engineering and Services (Private) Limited (the holding company of the Modaraba Management Company)</b>		
Outstanding certificates 85,146,412 (30 June 2016: 85,146,412)	851,464,120	851,464,120
Payable against purchase of parts and services	336,966,392	227,630,129
<b>Allied Engineering and Services (Private) Limited - Staff Provident Fund</b>		
Outstanding certificates 2,979,407 (30 June 2016: 2,979,407)	29,794,070	29,794,070
<b>Key Management Personnel</b>		
Outstanding certificates 219,948 (30 June 2016: 241,049)	2,199,480	2,410,490
<b>Directors of Management Company</b>		
Outstanding certificates 2,783,937 (30 June 2016: 2,783,937)	27,839,370	27,839,370



	<b>Unaudited Dec 31, 2016</b>	<b>Audited Jun 30, 2016</b>
	<b>(Rupees)</b>	
<b>Assets</b>		
Total assets for reportable segments	7,339,876,070	6,971,102,207
Cash and bank balances	90,963,979	57,352,972
Advances and other receivables	107,447,536	88,412,545
Security deposits	50,000	50,000
Advance against diminishing musharaka financing - secured	3,989,600	-
Fixed assets in own use - tangible	90,837,612	89,824,374
Intangible asset for own use	7,463,843	4,607,899
	<u>7,640,628,640</u>	<u>7,211,349,997</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	2,956,398,445	2,561,724,353
Creditors, accrued and other liabilities	219,302,528	208,984,475
Payable to the Modaraba Management Company	6,274,992	12,126,599
Deferred liability for staff gratuity	43,828,186	39,081,569
Other long-term employee benefit	6,798,948	7,260,216
	<u>3,232,603,099</u>	<u>2,829,177,212</u>

### 32. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' requires the Modaraba to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3). As at 31 December 2016 and 30 June 2016, there were no financial instruments which were measured at fair values in the financial statements.

**32.1** The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized.

As at 31 December 2016 (Unaudited)						
Note	Carrying Value				Fair Value	
	Loans and receivables	Other financial assets	Other financial liabilities	Total	Total	
(Rupees)						
<b>Financial assets not measured at fair value</b>						
32.2						
	Cash and bank balances	85,173,241	5,790,738	-	90,963,979	-
	Ijarah rentals receivable	807,261,760	-	-	807,261,760	-
	Operation and maintenance income receivable	66,485,796	-	-	66,485,796	-
	Advances, deposits and other receivables	36,914,542	-	-	36,914,542	-
	Diminishing musharaka	3,989,600	-	-	3,989,600	-
		<u>999,824,939</u>	<u>5,790,738</u>	<u>-</u>	<u>1,005,615,677</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>						
32.2						
	Creditors, accrued and other liabilities	-	-	690,155,159	690,155,159	-
	Bai Muajjal - secured	-	-	99,690,149	99,690,149	-
	Payable to the Modaraba Management Company	-	-	2,737,496	2,737,496	-
	Diminishing musharaka	-	-	2,114,590,100	2,114,590,100	-
	Security deposits	-	-	64,500,000	64,500,000	-
		<u>-</u>	<u>-</u>	<u>2,971,672,904</u>	<u>2,971,672,904</u>	<u>-</u>

As at 30 June 2016 (Audited)						
Note	Carrying Value				Fair Value	
	Loans and receivables	Other financial assets	Other financial liabilities	Total	Total	
(Rupees)						
<b>Financial assets not measured at fair value</b>						
32.2						
	Cash and bank balances	57,352,972	-	-	57,352,972	-
	Ijarah rentals receivable	724,306,336	-	-	724,306,336	-
	Operation and maintenance income receivable	29,313,561	-	-	29,313,561	-
	Advances, deposits and other receivables	37,125,579	-	-	37,125,579	-
		<u>848,098,448</u>	<u>-</u>	<u>-</u>	<u>848,098,448</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>						
32.2						
	Creditors, accrued and other liabilities	-	-	481,706,204	481,706,204	-
	Bai Muajjal - secured	-	-	99,714,147	99,714,147	-
	Payable to the Modaraba Management Company	-	-	8,589,103	8,589,103	-
	Diminishing musharaka	-	-	1,900,620,385	1,900,620,385	-
	Security deposits	-	-	64,500,000	64,500,000	-
	Total	<u>-</u>	<u>-</u>	<u>2,555,129,839</u>	<u>2,555,129,839</u>	<u>-</u>

**32.2** The Modaraba has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their fair value is not significantly different from their carrying amounts.

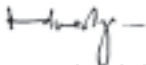
**33. GENERAL**

**33.1** These condensed interim financial information are unaudited and have been reviewed by the auditors. Furthermore, figures for the three months period ended 31 December 2016 in these condensed interim financial information have not been reviewed by the auditors.

**34. DATE OF AUTHORISATION**

These condensed interim financial information were authorized for issue on 23 February 2017 by the Board of Directors of the Modaraba Management Company.

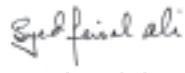
**For Allied Engineering Management Company (Private) Limited**  
(Modaraba Management Company)



**Murtaza Ahmed Ali**  
Chief Executive



**Abdul Rahim Suriya**  
Director



**Syed Feisal Ali**  
Director

استعمال شدہ کربنز کے مقابلے میں بہتر تحفظ دینے والی اور اعلیٰ معیارات کے مطابق ہیں۔

مضاربہ ٹرانسپورٹیشن کے کاروبار کیلئے مشہور معروف FMCG اور آئل فیلڈ سروسز کمپنیوں کے ساتھ نئے ریٹیل معاہدوں کیلئے کوشاں ہے جن سے کاروبار کے زیادہ منافع بخش شعبوں میں ریٹیل اثاثہ جات کی تنصیب کی جاسکے گی۔

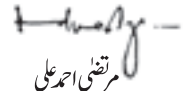
مضاربہ نئی کاروباری ضروریات کیلئے انسانی وسائل کے حصول میں بھی مسلسل کوشاں ہے۔ اگرچہ پاکستان کی آبادی بہت زیادہ ہے لیکن یہاں تکنیکی طور پر ہنرمند اور نیم ہنرمند افرادی بہت کمی ہے اور مارکیٹ میں ان کی طلب بڑھنے کے ساتھ ساتھ ہم مضاربہ میں ان کی شمولیت اور ان کو برقرار رکھنے کی بھرپور کوشش کر رہے ہیں۔ اس بے انتہا بڑھتی ہوئی طلب کے سبب ان افراد کی اجرتوں میں بھی نمایاں اضافہ ہونے کی توقع ہے۔ اجرتوں میں منصفانہ اضافہ کے ساتھ اس افرادی قوت کی خدمات حاصل کرنا اس وقت مضاربہ کیلئے ایک اور بڑا چیلنج ہے۔

انتظامیہ سی بیک کے ترقیاتی عمل اور اس سے مضاربہ کیلئے پیدا ہونے والے شاندار مواقع حاصل کرنے کیلئے پرجوش طریقے سے سرگرم ہے لیکن ریٹیل پارک کے شعبہ میں سرمایہ کاری کیلئے محتاط، دانشمندانہ اور مخصوص طریقہ کار اختیار کرنے پر کاربند ہے۔ ہم ہمیشہ صارف کے اطمینان پر خاص توجہ دیتے ہیں اور اپنے کاروباری لین دین میں اسلامی شریعہ اصولوں پر عمل پیرا رہتے ہیں۔

## اعتراف

بورڈ، رجسٹرار مضاربہ، مذہبی بورڈ، مالیاتی اداروں اور اپنے مالیاتی پارٹنرز کے مستقل تعاون اور رہنمائی کیلئے ان کا بے حد شکر گزار ہے اور صارفین کی سرپرستی اور کاروباری امور میں شرکت کیلئے ان کا شکر یہ ادا کرتا ہے۔

مخائب بورڈ



مرئضی احمد علی  
چیف ایگزیکٹو

23 فروری 2017

نیکسٹنلز کے برے حالات تھے اس کہ برعکس اس سال بڑے ڈیزل جزیئر کے شعبہ کی آمدنی میں اضافہ ہوا اور ہم نے اپنے صارفین کے ساتھ تنصیب کے طویل المدت معاہدوں پر دستخط کئے اور اپنے ڈیزل شعبہ کے بڑے بیڑے کی بہتر تنصیب مکمل کی۔

اس عرصے میں آپریٹنگ کے اخراجات میں 134 ملین روپے کا اضافہ ہوا جس کی بڑی وجہ بیڑے میں شامل گاڑیوں کی آمد و رفت کے اخراجات جو گزشتہ سال 43 ملین روپے سے بڑھ کر اس عرصہ میں 166 ملین روپے ہوئے۔ یہ اضافہ زیادہ ہمارے لاجسٹکس اور MHE کے شعبوں میں سرمایہ کاری کے سبب ہوا۔ تنخواہوں اور اجرتوں پر سخت کنٹرول کی وجہ سے کاروباری عمل کیلئے تنخواہوں اور اجرتوں میں صرف 3 ملین روپے کا اضافہ ہوا جو گزشتہ سال کے 295 ملین روپے کے مقابلے میں اس مرتبہ 298 ملین روپے ہوا۔ مذکورہ مدت میں فرسودگی کی سطح 7% اضافہ کے ساتھ 382 ملین روپے ہو گئی جب کہ گزشتہ اسی مدت میں یہ سطح 356 ملین روپے تھی۔ اس کی وجہ مشینوں اور کرینوں کے شعبہ میں کی جانے والی نئی سرمایہ کاری تھی۔ اجارہ رینٹل میں نمایاں کمی دیکھنے میں آئی جو گزشتہ سال اسی مدت کی رقم 96 ملین سے کم ہو کر اس مرتبہ 52 ملین روپے رہی۔ اس کی بڑی وجہ ہمارے طویل المدت اجارہ معاہدوں کی مدت کا مکمل ہونا تھی۔

انتظامی امور اور تقسیم کاری کے اخراجات 16 ملین روپے کے اضافہ کے ساتھ اس مرتبہ 81 ملین روپے ہوئے۔

(2015: 65 ملین روپے) جو کہ افراط زر اور مختلف نوعیت کے کاروباری پورٹ فولیو کے انتظامات کیلئے وسائل کو بروئے کار لانے کے علاوہ کاروباری حجم میں اضافہ کے باعث ہوئے۔ قانونی اور پیشہ ورانہ امور کے اخراجات 6.6 ملین روپے تک رہے۔ جس کی بڑی وجہ FED، انکم ٹیکس اور صوبائی سبزی ٹیکس کے مسائل پر وفاقی اور صوبائی دونوں حکومتوں کے ساتھ مقدمہ جات تھے۔ اجارہ رینٹل اور آپریشن اینڈ مینٹیننس کی وصولی کے نقصانات کے امکانات کو کم کرنے کیلئے 42 ملین روپے کا پروویژن کیا گیا جو کہ مضاربہ کے پروڈیوسل ضوابط کے مطابق ہے جب کہ مالیاتی لاگت 5% اضافہ کے ساتھ 3.7 ملین روپے آئی جس کی وجہ مجموعی طور پر قرضہ جات میں اضافہ تھا۔

اس عرصہ میں وہ استعمال شدہ جزیئر جو کہ رازرفیت تھے ان کی فروخت سے مضاربہ کو 11 ملین روپے کا نقصان ہوا۔

### مستقبل کے امکانات

مارکیٹ میں اپنی مضبوط حیثیت کی بناء پر مضاربہ معاشی ترقی کے دھارے میں شامل ہے اور تعمیراتی سامان، مشینوں اور لاجسٹکس کے شعبہ میں سرمایہ کاری کے ذریعہ مختلف النوع منافع کے حصول کے لئے سرگرم عمل ہے۔ ہم مقامی اور چینی دونوں سطح کے کنٹرولڈرز، تعمیراتی کمپنیوں بشمول حکومتی اداروں کی جانب سے پیدا ہونے والی مشین رینٹل کی طلب کے حجم سے آگاہ ہیں جو اپنے قلیل اور طویل مدت کیلئے مطلوب رینٹل خدمات کے حصول کے لئے مضاربہ سے رابطہ کر رہے ہیں۔ انتظامیہ اس بڑے اضافہ کے چیلنج سے بخوبی واقف ہے اور سرمایہ کاری اور سرمایہ کی فراہمی، دونوں اقسام کے کاروباری ضروریات پورا کرنے کیلئے تیار ہے لیکن اس کے ساتھ ساتھ ہم ان پونش کو کامیابی سے چلانے اور اس کی دیکھ بھال کیلئے انسانی وسائل مہیا کرنے میں بھی مصروف ہیں کیونکہ O&M ہمارے اجارہ رینٹل معاہدے کا ایک لازمی حصہ ہے۔

سی بیک حقیقت میں ملک کی معیشت میں نئے باب کھول رہا ہے۔ انتظامیہ اپنے رینٹل بیڑے میں مسلسل اضافہ کر رہی ہے اور اس نے Sany اور Caterpillar کے نئے اور استعمال شدہ دونوں اقسام کے ایکسکیویٹرز، کمپیکٹر، موٹر گریڈرز اور نئی کرینوں کا آرڈر دے دیا ہے۔ مضاربہ نے نئی SANY کرینز شامل کر کے کرین کی صنعت میں رینٹل ماڈل کو تبدیل کر دیا ہے جو مارکیٹ میں دستیاب عام پرانی اور



## ڈائریکٹرز کی رپورٹ

برائے مدتِ مختتمہ 31 دسمبر 2016 لائیو انجینئرنگ مینجمنٹ کمپنی (پرائیویٹ) لمیٹڈ جو الائیڈ رینٹل مضاربہ کی مینجمنٹ کمپنی ہے، کے بورڈ آف ڈائریکٹرز اپنے سرٹیفکیٹ ہولڈرز کو بمسرت ڈائریکٹرز کی رپورٹ مع مضاربہ کے غیر آڈٹ شد حسابات برائے مدتِ ششماہی مختتمہ 31 دسمبر 2016 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

000 روپے میں

6,275,876

1,498,891

201,353

13.43%

4.77%

0.69:1

Rs. 1.15

Rs. 25.12

### مالیاتی جھلکیاں

اجارہ اثاثہ میں سرمایہ کاری

کل آمدنی

خالص منافع برائے مذکورہ مدت

خالص اضافی منافع

ایکویٹی پر منافع

موجودہ تناسب

فی سرٹیفکیٹ آمدنی

فی سرٹیفکیٹ بریک اپ ویلیو

### کاروباری عمل کا جائزہ

ہم بمسرت اطلاع دیتے ہیں کہ مضاربہ کی رجسٹرڈ آمدنی 20% اضافہ کے ساتھ گزشتہ سال اسی مدت کی رقم 1,249 ملین سے بڑھ کر 1,499 ملین ہو گئی۔ اس کی بڑی وجہ انتظامیہ کی جانب سے رینٹل کے کاروبار میں نان پاور کے شعبہ کو منتخب کرنے کی حکمت عملی تھی۔ جس کے باعث مذکورہ مدت میں خالص منافع میں 41% اضافہ ہوا اور یہ گزشتہ سال اسی مدت کے منافع 142 ملین روپے کے مقابلے میں اس مرتبہ 201 ملین روپے حاصل ہوا۔

نقل و حمل (لاہیکلس) کی آمدنی بھی نمایاں اضافہ کے ساتھ 388 ملین روپے ہوئی جب کہ گزشتہ سال اسی مدت میں 153 ملین روپے تھی۔ اس کا بڑا سبب کاروبار کو بہتر قیمت کے معاہدوں پر منتقل کرنا تھا۔ ہمارے رینٹل فلیٹ (Fleet) میں نئے تعمیراتی سامان، مشینوں اور کریینوں کے شامل ہونے سے مشینوں اور کریین کے شعبہ کی آمدنی گزشتہ سال کی اسی مدت کی آمدنی کے مقابلے میں دگنی ہو گئی۔

مستقبل میں بھی رینٹل کے شعبہ میں بہتر کارکردگی جاری رہنے کی توقع ہے کیونکہ سی پیک کے منصوبوں کے سلسلے میں مشین رینٹل مارکیٹ کی بڑھتی ہوئی طلب کو پورا کرنے کی غرض سے ہم مشینوں اور کریینوں میں سرمایہ کاری جاری رکھیں گے۔ مذکورہ مدت میں پاور جنریشن کے شعبہ میں آمدنی میں کچھ کمی آئی خصوصاً گیس کے شعبہ میں کیونکہ ہمارے طویل المدت BOT معاہدے تکمیل کو پہنچ گئے۔ تاہم گزشتہ سال جب

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