

ڈائریکٹرز کی رپورٹ

ہم بورڈ آف ڈائریکٹرز کی جانب سے سندھ مضاربہ مینجمنٹ لمیٹڈ کی 30 جون 2021 کو اختتام پذیر ہونے والے سال پر آٹھویں سالانہ رپورٹ بمع آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

1 کاروبار کا جائزہ اور امید مستقبل

30 جون 2021 کو ختم ہونے والے سال کے کاروباری نتائج کی جھلکیاں درج ذیل ہیں

30 جون 2020	30 جون 2021	
145,640,300	76,544,465	کل مجموعی آمدنی
38,101,603	19,302,698	عام اور انتظامی اخراجات
107,255,253	57,025,012	نفع قبل از ٹیکس
78,970,810	42,721,779	نفع بعد از ٹیکس

کمپنی کو 30 جون 2021 کو ختم ہونے والے سال میں 78.97 ملین روپے کے منافع کے مقابلے میں اس سال میں 42.72 ملین روپے کا منافع ہوا۔ منافع میں کمی کی بنیادی وجہ پچھلے سال کا غیر متوقع منافع تھا۔ اس کے علاوہ مظاہرہ مینجمنٹ فیس میں بھی خاطر خواہ کمی ہوئی۔ اسٹیٹ بینک کے پالیسی ریٹ میں کمی کی وجہ سے بینک آمدنی میں بھی کافی کمی ہوئی۔ اوپر کے ظاہر کردہ حالات کے باوجود، اخراجات کی کمی نے منفی اثرات کو کافی حد تک کم کیا ہے۔ جبکہ کمپنی کا مستقبل کا منافع زیادہ تر آنے والے سالوں میں مضاربہ کی کارکردگی پر منحصر ہوگا۔

2 ڈیویڈنڈ (حصص پر منافع)

اس سال نفع میں کمی کے باعث، بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال میں ڈیویڈنڈ نہ دینے کا فیصلہ کیا ہے۔ جبکہ پچھلے سال پانچ فیصد کا منافع تقسیم کیا گیا تھا جو Re.0.50 فی شیئر سرٹیفیکیٹ کے برابر تھا۔

3 سالانہ بیرونی آڈٹ

کمپنی کے مالیاتی اسٹیٹمنٹس کو بغیر کسی کوالیفیکیشن کے آڈیٹر زریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آڈٹ کر چکے ہیں۔

4 کارپوریٹ گورننس

کمپنی کے لیے لازم ہے کہ ایس ای سی پی کے جاری کردہ پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) قوانین 2013 (سی جی آر) کے ضابطوں کی پابندی کرے۔ دستوری آڈیٹر کے لیے ضروری ہے کہ وہ بہترین طریقوں پر عملدرآمد کرنے کے بارے میں اپنی جائزہ رپورٹ بھی دے جو مالیاتی اسٹیٹمنٹس کے ساتھ شائع کی جاتی ہے۔ بورڈ آف ڈائریکٹرز سی جی آر کا جائزہ لے چکے ہیں اور تصدیق کرتے ہیں کہ؛

- * بورڈ متواتر طور پر متعلقہ اصول برائے کارپوریٹ گورننس کی پابندی کر چکا ہے۔
- * مینجمنٹ کے تیار کردہ مالیاتی اسٹیٹمنٹس معاملات، آپریشن کے نتائج، کیش فلو اور ایکویٹی میں رد و بدل کی درست تصویر پیش کرتے ہیں
- * مناسبت طور سے کھاتوں کی بکس رکھی گئی ہیں۔

- * مالیاتی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو استعمال کیا گیا ہے اور اکاؤنٹنگ تخمینوں کی بنیاد مناسب اور محفوظ اندازے ہیں۔
- * اندرونی نگرانی نظام کا ڈیزائن مضبوط ہے اور اس کا موثر طور پر نفاذ کیا جا چکا ہے اور اس کی موثر نگرانی کی جاتی ہے
- * چیرمین اور بورڈ کے دیگر ممبران کا انتخاب، ان کے انتخاب کی مدت اور ان کے مشاہروں کی پالیسی کمپنی کے بہترین مفاد میں اور بہترین طریقوں کے مطابق ہے۔
- * مالیاتی اسٹیٹمنٹس کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز جو پاکستان میں کمپنی پر لاگو ہوتے ہیں ان پر عملدرآمد کیا گیا اور ان پر عملدرآمد نہ ہونے کی صورت میں ان کو مناسب طور پر ظاہر کیا اور اس کی وضاحت کی گئی ہے۔
- * 30 جون 2021 پر ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی دستوری ادائیگیاں نہیں ہیں ماسوائے ان کے جو مالیاتی اسٹیٹمنٹس میں ظاہر کیے گئے ہیں۔
- * 30 جون 2021 تک ملازمین کے پراویڈنڈ فنڈز سے Rs.9.310 ملین (Rs.13.400:2020 ملین) کی سرمایہ کاری کی گئی ہے
- * گذشتہ چھ سالوں کا اہم آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- * سال میں کمپنی کے بورڈ کے سات اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے؛

ڈائریکٹر کے نام	میٹنگز میں حاضری کی تعداد
جناب محمد بلال شیخ	1
سید حسن نقوی	1
جناب نجم احمد شاہ	2
جناب محمد نعیم الدین فاروقی	7
جناب محمد شاہد مرتضیٰ	6
جناب آصف حیدر مرزا	6
جناب کمال احمد	7
مس یاسمین ظفر	7

جو ڈائریکٹر اجلاس میں شرکت نہ کر سکے ان کو رخصت دے دی گئی۔

- * سال میں کمپنی کی آڈٹ کمیٹی کے چار اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے؛

ڈائریکٹر کے نام	میٹنگز میں حاضری کی تعداد
جناب وسیم مہدی	2
جناب کمال احمد	4
جناب محمد شاہد مرتضیٰ	2
مس یاسمین ظفر	2
جناب حبیبہ سخیلی	2

- * سال میں مضاربہ کمپنی کی ہیومن ریسورس کمیٹی کا ایک اجلاس ہوا۔ ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے؛

ڈائریکٹرز کے نام	میٹنگز میں حاضری کی تعداد
جناب محمد شاہد مرتضیٰ	1
سید حسن نقوی	1
مس یاسمین ظفر	1

* سال میں مضاربہ کمپنی کی رسک مینجمنٹ کمیٹی کے دو اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے

ڈائریکٹرز کے نام	میٹنگز میں حاضری کی تعداد
جناب آصف حیدر مرزا	2
جناب محمد شاہد مرتضیٰ	2
جناب کمال احمد	2

* سال میں مضاربہ کمپنی کی نامزدگی کمیٹی کے دو اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے

ڈائریکٹرز کے نام	میٹنگز میں حاضری کی تعداد
جناب بلال شیخ	1
جناب وسیم مہدی	1
سید حسن نقوی	1
جناب کمال احمد	2
جناب ریحان انجم	1

* بورڈ پروکیورمنٹ کی کمیٹی کو قوانین کے مطابق قائم کر چکا ہے۔ زیر غور مدت کے دوران کسی بھی کمیٹی کا کوئی اجلاس نہیں ہوا۔

5 بورڈ آف ڈائریکٹرز

سال کے دوران، ڈائریکٹرز کی مدت پوری ہونے کے بعد نئے الیکشن ۲۲ اکتوبر ۲۰۲۰ کو منعقد کرائے گئے۔ جس میں چند پرانے ڈائریکٹرز کی جگہ کچھ نئے ڈائریکٹرز کو مقرر کیا گیا۔ بورڈ جانے والے ڈائریکٹرز کی قیمتی خدمات کے لئے شکر گزار ہے۔ اس کے علاوہ، پچھلے چیف ایگزیکٹو کی مدت مکمل ہونے کے بعد ذوالفقار علی کو چیف ایگزیکٹو کے عہدہ پر مقرر کیا گیا۔

6 سماجی ذمہ داری

کمپنی سماجی طور پر ذمہ دار اندہ اور اخلاقی انداز میں ماحول کا تحفظ، معاشرے اور لوگوں کی حفاظت کے ساتھ ساتھ کاروبار کو سماجی طور پر کرنے میں ایک ذمہ دار کارپوریٹ شہری ہونے کو یقینی بناتا ہے۔

کمپنی پُر عزم ہے کہ وہ سالمیت اور کارپوریٹ گورننس کے اعلیٰ ترین طریقہ کار کو برقرار رکھے تاکہ روزمرہ کے کاروباری معاملات میں اعلیٰ کارکردگی دکھاسکے اور اپنی گورننس (خسن کارکردگی) پر اعتماد پیدا کرسکے۔

کمپنی مسلسل کوشش کر رہی ہے کہ اعتماد کو بڑھائے اور تمام تعلقات میں انسانی وقار اور حقوق کا مظاہرہ دکھائے بشمول افراد اور گروہوں کی تہذیبوں، رواجوں اور اقدار کا احترام کرے۔

7 شراکت داری کی تفصیل

میٹگری نمبر	شیئر ہولڈرز کی کمیٹگری	حصص کی تعداد
1	حکومت سندھ (وائی بی ٹی گیپ فنڈ) کے فنانس ڈیپارٹمنٹ کی معرفت	149,999,993
2	ڈائریکٹرز	
	جناب یوسف مہدی	1
	جناب کمال احمد	1
	جناب حبیب اللہ	1
	جناب ریحان انجم	1
	مسرخسانہ نارنجو	1
3	ادرس	2
	ٹوٹل	150,000,000


8 بیرونی آڈیٹرز کی تقرری


آڈٹ کمیٹی کی سفارش پر بورڈ نے ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو 30 جون 2021 کو ختم ہونے والے سال میں دوبارہ تقرری کے لیے منظور کیا۔

9 اعتراف

بورڈ ایس۔ای۔سی۔ پی اور ہمارے شرعی مشیر کی مسلسل رہنمائی اور حمایت کے لئے شکریہ ادا کرنا چاہتا ہے۔ مضاربہ اپنے معزز گاہکوں کا ان کی پراعتمادی اور حمایت کرنے کا بھی شکریہ ادا کرنا چاہتا ہے۔ بورڈ مضاربہ کے ملازمین کے خلوص اور سخت محنت کو بھی سراہتا ہے جس کے بغیر ایسی بہتر کارکردگی ممکن نہ تھی۔

بورڈ کی جانب سے


ڈائریکٹر


چیف ایگزیکٹو آفیسر

کراچی

07 ستمبر 2021

DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the eighth annual report along with audited accounts of Sindh Modaraba Management Limited for the year ended June 30, 2021.

1. Business Overview & Outlook

The highlights of the operating results for the year ended June 30, 2021 are presented as under:

	June 30, 2021	June 30, 2020
	-----Rupees-----	
Revenue	<u>76,544,465</u>	<u>145,640,300</u>
General & Admin expenses	<u>19,302,698</u>	<u>38,101,603</u>
Profit before taxation	<u>57,025,012</u>	<u>107,255,253</u>
Profit after taxation	<u>42,721,779</u>	<u>78,970,810</u>

During the year, the Company earned profit after tax of Rs. 42.72 million as compared to Rs. 78.97 million earned during the last year ended June 30, 2020. The decrease in profitability was mainly attributable to a windfall profit earned last year. Further, there was substantial decrease in management fee from Modaraba. Income on bank deposits also declined considerably due to reduction in Policy rate by SBP. However, the negative impact of all the above factors was mitigated to a certain extent through significant savings in administrative expenses. Company's future profitability will largely depend on Modaraba's performance in the years to come.

2. Profit distribution

Due to reduction in profit of the Company during the year, the Directors have not declared any dividend (2020: 5.00%) i.e. Nil (2020: Re. 0.50) per share for the year ended 30th June 2021.

3. External Annual Audit

The financial statements of Company have been audited without any qualification by the auditors namely M/s Riaz Ahmad & Co., Chartered Accountants.

4. Corporate Governance

The Company is required to comply with various requirements of the Public Sector Companies (Corporate Governance) Rules, 2013 (Rules) issued by the SECP.

The statutory auditors are also required to issue their review report over the compliance statement of the best practices, which is published with the financial statements.

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The Board of Directors has reviewed the Rules and confirms that:

- The Board has consistently complied with the relevant principles of corporate governance.
- Financial statements, prepared by the management, present fairly the state of affairs, the results of its operations, cash flows and change in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The appointment of the Chairman and other members of the Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Company as well as in line with the best practices and policies approved by the Board.
- Applicable International Financial Reporting Standards have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2021, except for those disclosed in financial statements.
- The value of Investment in Employees Provident Fund based on financial statements of the Fund as of June 30, 2021 is Rs. 9.310 million (2020: Rs. 13.400 million).
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- Key operating and financial data of last six years is annexed.
- Ten Board meetings of the Modaraba Company were held during the year. Attendance of each director is appended hereunder:

Name of Directors	No. of Meetings attended
Mr. Muhammad Bilal Sheikh	5
Syed Hassan Naqvi	5
Mr. Muhammad Naimuddin Farooqui	4
Mr. Muhammad Shahid Murtaza	3
Mr. Asif Haider Mirza	3
Mr. Kamal Ahmed	10
Ms. Yasmin Zafar	3
Mr. Waseem Mehdi Syed	7
Mr. Habibullah Khilji	7
Mr. Rehan Anjum	3
Ms. Rukhsana Narejo	3
Mr. Zulfiqar Ali – CEO	1

Leave of absences were granted to the directors who could not attend the meeting.

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- Four Audit Committee meetings of the Modaraba Company were held during the year under review. Attendance of each member is appended hereunder:

Name of Directors	No. of Meetings attended
Mr. Waseem Mehdi Syed	2
Mr. Kamal Ahmed	4
Mr. Muhammad Shahid Murtaza	2
Ms. Yasmin Zafar	2
Mr. Habibullah Khilji	2

- One Human Resource Committee meetings of the Modaraba Company were held during the year under review. Attendance of each member is appended hereunder:

Name of Directors	No. of Meetings attended
Mr. Muhammad Shahid Murtaza	1
Syed Hassan Naqvi	1
Ms. Yasmin Zafar	1

- Two Risk Management Committee meetings of the Modaraba Company were held during the year under review. Attendance of each member is appended hereunder:

Name of Directors	No. of Meetings attended
Mr. Asif Haider Mirza	2
Mr. Muhammad Shahid Murtaza	2
Mr. Kamal Ahmed	2

- Two Nomination Committee meetings of the Modaraba Company were held during the year under review. Attendance of each member is appended hereunder:

Name of Directors	No. of Meetings attended
Mr. Muhammad Bilal Sheikh	1
Mr. Waseem Mehdi Syed	1
Syed Hassan Naqvi	1
Mr. Kamal Ahmed	2
Mr. Rehan Anjum	1

- The Board has also established Procurement Committee as required under the Rules. No meeting of this committee was held during the year.

5. The Board of Directors

During the year, the term of directors was completed and fresh election of directors was held on 22nd October 2020 wherein some new directors were appointed in place of outgoing members.

The Board wishes to place its appreciation for the valuable contribution made by the out-going directors.

Further, the term of previous CEO was expired and Mr. Zulfiqar Ali appointed as Chief Executive Officer of the Company.

6. Social Responsibility

The Company ensures its role of a Responsible Corporate Citizen by conducting business in line with its mission incorporating shariah principles in a socially responsible and ethical manner, protecting the environment, and supporting the communities and cultures with which it works.

The Company is committed to maintain the highest standards of integrity and corporate governance practices in order to maintain excellence in its daily operations and to build-up confidence in its governance systems.

The Company constantly strives to build trust and demonstrate respect for human dignity and rights in all relationships, including respect for cultures, customs and values of individuals and groups.

7. Pattern of Shareholding

Category No.	Categories of Shareholders	No. of shares held
1	Government of Sindh (Viability Gap Fund) through its finance department	149,999,993
2	<u>Directors:</u> Mr. Waseem Mehdi Syed Mr. Kamal Ahmed Mr. Habibullah Khilji Mr. Rehan Anjum Ms. Rukhsana Narejo Others	1 1 1 1 1 2
TOTAL		150,000,000

8. Auditors

On the recommendation of Audit Committee, the Board has approved the reappointment of present auditors M/s Riaz Ahmad & Co., Chartered Accountants, as auditors for the financial year ending June 30, 2022.

9. Acknowledgment by the Management/Board

The Board would like to thank the SECP and our Shariah Advisor for their continued guidance and support. It would also like to thank their valued customers of the Modaraba for their trust and support. The Management also wishes to record this appreciation, dedication and hard work of the employees of the Modaraba without which it would not have been possible to turn in such an improved performance.

(On behalf of the Board)



Zulfiqar Ali
Chief Executive Officer



Rehan Anjum
Director

Karachi:

07th September 2021

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of SINDH MODARABA MANAGEMENT LIMITED (the Company) for the year ended 30 June 2021.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Rules.

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 Company's corporate governance procedures and risks.

The Rules require the 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not. Moreover, the Public Sector Companies (Corporate Governance) Rules, 2013 also require the Board to ensure compliance with the law as well as Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with supplier of goods and services. Compliance with above stated requirements has been checked, on a test basis, as part of the audit of the financial statements of the Company for the purpose of expressing an opinion on those financial statements.

Riaz Ahmad & Company

Chartered Accountants

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 Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company for the year ended 30 June 2021.

A handwritten signature in blue ink, appearing to read 'Riaz Ahmad', with a flourish at the end.

RIAZ AHMAD & COMPANY

Chartered Accountants

Name of engagement partner:

Junaid Ashraf

KARACHI

Date: 07 September 2021

SCHEDULE I
[See paragraph 2(1)]

**Statement of Compliance with the
Public Sector Companies (Corporate Governance) Rules, 2013**

Name of Company:	SINDH MODARABA MANAGEMENT LIMITED
Name of the line ministry	FINANCE DEPARTMENT, GOVERNMENT OF SINDH
For the year ended	30 JUNE 2021

- i. This statement presents the overview of the compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 (herein after called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector Company is managed in compliance with the best practices of public sector governance.
- ii. The Company has complied with the provisions of the Rules in the following manner:

Sr. No.	Provision of the Rules	Rule No.	Yes	No																		
1.	The independent directors meet the criteria of independence as defined under the Rules.	2(d)	✓																			
2.	<div>The Board has at least one-third of its total members as independent directors. At 30 June 2021, the Board includes:</div> <table><tr><th>CATEGORY</th><th>NAMES</th><th>DATE OF APPOINTMENT</th></tr><tr><td rowspan="2">Independent Directors</td><td>Mr. Waseem Mehdi Syed</td><td>26 November 2020</td></tr><tr><td>Mr. Habibullah Khilji</td><td>25 November 2020</td></tr><tr><td>Chief Executive Officer</td><td>Mr. Zulfiqar Ali</td><td>19 May 2021</td></tr><tr><td rowspan="3">Non-Executive Directors</td><td>Mr. Kamal Ahmed</td><td>15 August 2017</td></tr><tr><td>Ms. Rukhsana Narejo</td><td>02 February 2021</td></tr><tr><td>Mr. Rehan Anjum</td><td>02 February 2021</td></tr></table>	CATEGORY	NAMES	DATE OF APPOINTMENT	Independent Directors	Mr. Waseem Mehdi Syed	26 November 2020	Mr. Habibullah Khilji	25 November 2020	Chief Executive Officer	Mr. Zulfiqar Ali	19 May 2021	Non-Executive Directors	Mr. Kamal Ahmed	15 August 2017	Ms. Rukhsana Narejo	02 February 2021	Mr. Rehan Anjum	02 February 2021	3(2)	✓	
CATEGORY	NAMES	DATE OF APPOINTMENT																				
Independent Directors	Mr. Waseem Mehdi Syed	26 November 2020																				
	Mr. Habibullah Khilji	25 November 2020																				
Chief Executive Officer	Mr. Zulfiqar Ali	19 May 2021																				
Non-Executive Directors	Mr. Kamal Ahmed	15 August 2017																				
	Ms. Rukhsana Narejo	02 February 2021																				
	Mr. Rehan Anjum	02 February 2021																				
3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓																			
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✓																			
5.	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	✓																			
6.	The chairman has been elected by the Board of directors.	4(4)	✓																			

7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	✓	
8.	<p>a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.</p> <p>b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures, including posting the same on the Company's website. (www.sindhmodarabalttd.com)</p> <p>c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.</p>	5(4)	✓	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5) (b)(ii)	✓	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5) (b)(vi)	✓	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5) (c)(ii)	✓	
13.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5) (c) (iii)	✓	
14.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	✓	
15.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.	5(7)	✓	
16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and have submitted its request for appropriate compensation to the Government of consideration.	5(8)	N/A	
17.	The Board has ensured compliance with policy directions requirements received from Government.	5(11)	N/A	

18.	a) The Board has met at least four times during the year.	6(1)	✓																			
	b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓																			
	c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	✓																			
19.	The Board has monitored and assessed the performance of senior management on annual / half-year / quarterly basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓																			
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓																			
21.	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end.	10	✓																			
	(b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.		N/A																			
	(c) The Board has placed the annual financial statements on the company's website.		✓																			
22.	All the Board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as specified in the Rules.	11	✓																			
23.	(a) The Board has formed the requisite committees, as specified in the Rules.	12	✓																			
	(b) The committees were provided with written term of reference defining their duties, authority and composition.		✓																			
	(c) The minutes of the meetings of the committees were circulated to all the Board members.		✓																			
	(d) The committees were chaired by the following non-executive directors:		✓																			
	<table><tr><th>Committee</th><th>No. of members</th><th>Name of Chair</th></tr><tr><td>Audit Committee</td><td>03</td><td>Mr. Habibullah Khilji</td></tr><tr><td>Risk Management / Monitoring Committee</td><td>03</td><td>Mr. Waseem Mehdi Syed</td></tr><tr><td>HR Committee</td><td>03</td><td>Mr. Waseem Mehdi Syed</td></tr><tr><td>Procurement Committee</td><td>03</td><td>Mr. Habibullah Khilji</td></tr><tr><td>Nomination Committee</td><td>03</td><td>Waseem Mehdi Syed</td></tr></table>		Committee		No. of members	Name of Chair	Audit Committee	03	Mr. Habibullah Khilji	Risk Management / Monitoring Committee	03	Mr. Waseem Mehdi Syed	HR Committee	03	Mr. Waseem Mehdi Syed	Procurement Committee	03	Mr. Habibullah Khilji	Nomination Committee	03	Waseem Mehdi Syed	
	Committee		No. of members		Name of Chair																	
	Audit Committee		03		Mr. Habibullah Khilji																	
Risk Management / Monitoring Committee	03	Mr. Waseem Mehdi Syed																				
HR Committee	03	Mr. Waseem Mehdi Syed																				
Procurement Committee	03	Mr. Habibullah Khilji																				
Nomination Committee	03	Waseem Mehdi Syed																				

24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor by whatever name called, with their remuneration and terms and conditions of employment.	13	✓													
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓													
26.	The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓													
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓													
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.	18	✓													
29.	a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. b) The annual report of the Company contains criteria and details of remuneration of each director.	19	N/A													
30.	The financial statements of the Company were duly endorsed by the chief executive and chief financial officer, before approval of the Board.	20	✓													
31.	The Board has formed an audit committee, with defined and written terms of reference and having prescribed members. <table border="1"><thead><tr><th>Name of member</th><th>Category</th><th>Professional Background</th></tr></thead><tbody><tr><td>Mr. Habibullah Khilji</td><td>Independent</td><td>Public Sector Professional</td></tr><tr><td>Mr. Kamal Ahmed</td><td>Non-executive</td><td>Financial Controller</td></tr><tr><td>Mr. Rehan Anjum</td><td>Independent</td><td>Professional Banker</td></tr></tbody></table> The chief executive and chairman of the Board are not members of the audit committee.	Name of member	Category	Professional Background	Mr. Habibullah Khilji	Independent	Public Sector Professional	Mr. Kamal Ahmed	Non-executive	Financial Controller	Mr. Rehan Anjum	Independent	Professional Banker	21(1) and 21(2)	✓ ✓	
Name of member	Category	Professional Background														
Mr. Habibullah Khilji	Independent	Public Sector Professional														
Mr. Kamal Ahmed	Non-executive	Financial Controller														
Mr. Rehan Anjum	Independent	Professional Banker														

32.	a) The chief financial officer, the chief internal auditor and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.	21(3)	✓	
	b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.		✓	
	c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.		✓	
33.	a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.	22	✓	
	b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.		✓	
	c) The internal audit reports have been provided to the external auditors for their review.		✓	
34.	The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓	
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓	



Chief Executive Officer



Chairman BOD / Independent Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINDH MODARABA
MANAGEMENT LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Sindh Modaraba Management Limited (the Company), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at 30 June 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report or other document, but does not include the financial statements and our auditor's report thereon.

Riaz Ahmad & Company

Chartered Accountants

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Riaz Ahmad & Company

Chartered Accountants

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

Riaz Ahmad & Company

Chartered Accountants

- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Junaid Ashraf.



RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

Date: 07 September 2021

SINDH MODARABA MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
NON-CURRENT ASSETS			
Fixed assets	3	11,268,450	8,542,510
Right-of-use assets	4	1,115,886	1,564,233
Long term investment	5	373,524,800	348,604,810
Long term loan	6	1,000,000,000	1,000,000,000
		1,385,909,136	1,358,711,553
CURRENT ASSETS			
Management remuneration receivable from Sindh Modaraba - related party	7	7,862,480	12,411,104
Short term investment	8	145,000,000	-
Deposits, prepayments and other receivables	9	3,033,102	60,721,748
Advance tax - net of provision for taxation	15	124,027	-
Bank balances	10	2,281,935	134,973,582
		158,301,544	208,106,434
TOTAL ASSETS		1,544,210,680	1,566,817,987
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000,000 (2020: 200,000,000) Ordinary shares of Rupees 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	11	1,500,000,000	1,500,000,000
Unappropriated profit		69,550,212	102,416,672
Unrealized fair value diminution on remeasurement of investment classified as FVTOCI		(51,606,831)	(76,677,121)
		1,517,943,381	1,525,739,551
NON-CURRENT LIABILITIES			
Lease liability	12	1,346,214	1,786,544
CURRENT LIABILITIES			
Staff retirement benefits	13	1,623,917	3,415,818
Creditors, accrued and other liabilities	14	22,629,090	22,941,808
Current portion of lease liability	12	668,078	832,500
Provision for taxation - net of advance tax	15	-	12,101,766
		24,921,085	39,291,892
CONTINGENCIES AND COMMITMENTS	16		
TOTAL EQUITY AND LIABILITIES		1,544,210,680	1,566,817,987

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



Chief Executive Officer



Director

SINDH MODARABA MANAGEMENT LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Income	17	76,544,465	145,640,300
General and administrative expenses	18	(19,302,698)	(38,101,603)
Other income		10,993	-
		57,252,760	107,538,697
Finance cost	12	(227,748)	(283,444)
Profit before taxation		57,025,012	107,255,253
Taxation	19	(14,303,233)	(28,284,443)
Profit after taxation		42,721,779	78,970,810

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



Chief Executive Officer



Director

SINDH MODARABA MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	2021 Rupees	2020 Rupees
Profit after taxation	42,721,779	78,970,810
Other comprehensive income:		
items that may be reclassified to profit and loss account	-	-
items that will not be reclassified to profit and loss account subsequently:		
- Remeasurement (loss) / gain of post retirement benefits obligation	(603,939)	167,015
- Unrealized gain on remeasurement of investment classified as FVTOCI	25,085,990	30,147,310
Other comprehensive income	24,482,051	30,314,325
Total comprehensive income for the year	67,203,830	109,285,135

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



Chief Executive Officer



Director

SINDH MODARABA MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Issued, subscribed and paid up capital	Unrealized fair value diminution on remeasurement of investment classified as FVTOCI	Unappropriated profit	Net shareholders' equity
	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2019	1,000,000,000	(106,824,431)	23,278,847	916,454,416
Transaction with owner:				
Issuance of share capital	500,000,000	-	-	500,000,000
Comprehensive income for the year ended 30 June 2020				
Profit for the year	-	-	78,970,810	78,970,810
Other comprehensive income:				
- Remeasurement gain of post retirement benefits obligation	-	-	167,015	167,015
- Unrealized gain on remeasurement of investment classified as FVTOCI	-	30,147,310	-	30,147,310
Total comprehensive income for the year	-	30,147,310	79,137,825	109,285,135
Balance as at 30 June 2020	1,500,000,000	(76,677,121)	102,416,672	1,525,739,551
Comprehensive income for the year ended 30 June 2021				
Profit for the year	-	-	42,721,779	42,721,779
Other comprehensive income:				
- Remeasurement loss of post retirement benefits obligation	-	-	(603,939)	(603,939)
- Unrealized gain on remeasurement of investment classified as FVTOCI	-	25,085,990	-	25,085,990
Total comprehensive income for the year	-	25,085,990	42,117,840	67,203,830
Transfer of gain realized on sale of investments classified as FVTOCI	-	(15,700)	15,700	-
Transaction with shareholder:				
Profit distribution @ Re. 0.5 (5%) per share	-	-	(75,000,000)	(75,000,000)
Balance as at 30 June 2021	1,500,000,000	(51,606,831)	69,550,212	1,517,943,381



Chief Executive Officer



Director


SINDH MODARABA MANAGEMENT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		57,025,012	107,255,253
Adjustments for non-cash items:			
Depreciation		1,520,415	1,928,686
Finance cost on lease liability		227,748	283,444
Reversal / provision for gratuity		(60,022)	1,082,833
Provision for compensated leave absences		760,999	676,750
Dividend income		(57,302,100)	(57,322,350)
		(54,852,960)	(53,350,637)
Profit before working capital changes		2,172,052	53,904,616
Working capital changes			
Decrease / (increase) in current assets		62,237,270	(61,780,275)
(Decrease) / increase in current liabilities		(312,718)	206,065
		61,924,552	(61,574,210)
Compensated leave absence paid - net of settlement		(2,231,008)	-
Compensated absence funds received from Sindh Modaraba		819,001	-
Gratuity paid		(915,818)	(871,077)
Income tax paid		(26,529,026)	(12,103,002)
Net cash generated from/(used in) operating activities		35,239,753	(20,643,673)
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in long term loan		-	(500,000,000)
Investment in term deposit receipts during the year		(570,000,000)	-
Term deposit receipts matured during the year		425,000,000	-
Dividend received		57,302,100	57,322,350
Advance against capital expenditure		(4,567,000)	-
Proceeds from sale of investments		166,000	-
Net cash used in investing activities		(92,098,900)	(442,677,650)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		-	500,000,000
Rental paid		(832,500)	(751,100)
Dividend paid		(75,000,000)	-
Net cash (used in) / generated from financing activities		(75,832,500)	499,248,900
Net (decrease) / increase in cash and cash equivalents		(132,691,647)	35,927,577
Cash and cash equivalents at beginning of the year		134,973,582	99,046,005
Cash and cash equivalents at end of the year	10	2,281,935	134,973,582

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



Chief Executive Officer



Director

SINDH MODARABA MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Sindh Modaraba Management Limited (the Company) was incorporated in Pakistan as a public company limited by share capital under the Companies Ordinance, 1984 (now Companies Act, 2017) on 28 November 2013. Subsequently, it was registered as a modaraba management company with the Registrar of Modaraba Company and Modarabas under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980. Its registered office is situated at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.
- 1.2** The principal activity of the Company is to engage in floatation and management of Modaraba and to function as a Modaraba Management Company within the meaning of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980. Presently, the Company is managing Sindh Modaraba which is a perpetual, multi-purpose and multi-dimensional Modaraba and is listed on Pakistan Stock Exchange Limited.
- 1.3** These are the separate financial statements of the Company. Details of the Company's investment in associated undertaking are stated in note 5 to these financial statements.

2. 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 years presented unless otherwise stated:

2.1 BASIS OF PREPARATION

a) Statement of Compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except for the certain financial instruments carried at fair value. These financial statements have been prepared following the accrual basis of accounting except for the cash flow information.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follow:

Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments

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

Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Recovery of deferred tax assets

Deferred tax assets are recognized for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2020:

- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
- International Accounting Standards Board's revised Conceptual Framework – March 2018
- IFRS 16 (Amendments) 'Leases';
- Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2021 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets') effective for the annual period beginning on or after 01 January 2022 amends IAS 1 'Presentation of Financial Statements' by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment') effective for the annual period beginning on or after 1 January 2022. Clarifies that

sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 01 January 2022:

IFRS 9 'Financial Instruments' – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 'Leases' – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 'Agriculture' – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16 'Leases') effective for annual reporting periods beginning on or after 01 April 2021. These amendments permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors') effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The International Accounting Standards Board (IASB) has published 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. Effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2022. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 4 'Insurance Contracts' and IFRS 7 'Financial Instruments: Disclosures' is applicable for annual financial periods beginning on or after 01 January 2021. The changes made relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

The above amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2021 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Fixed assets

a) Owned assets

Assets (tangible/intangible) in own use are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Depreciation/amortization is charged to income on straight line method using the rates specified in note 3 to the financial statements. Depreciation/amortization is charged from the month an item is acquired or capitalized up to the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

b) Depreciation

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged from the month in which the assets are disposed off. Depreciation is charged to statement of profit or loss applying the straight line method at the rates given in note 3. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

c) De-recognition

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

2.3 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Payment associated with short term leases are recognized as expense in profit or loss.

2.4 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of use asset, or to unconsolidated statement of profit or loss and other comprehensive income if the carrying amount of the right-of-use asset is fully written down.

2.5 Investments and other financial assets

a) *Classification*

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in 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 profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is

included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities – classification and measurement

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

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts and other receivables, the

Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.6 Management remuneration receivable from Managed Modaraba

The Company is entitled to remuneration for services rendered to the Sindh Modaraba under the provisions of the Modaraba Ordinance upto a maximum of 10% of annual net profits of the Sindh Modaraba. The Company initially records accruals in respect of management fee annually after finalization of profit for the year of the Sindh Modaraba and subsequently measured at amortized cost using effective profit method, less any allowance for expected credit losses. Management remuneration receivable from Managed Modaraba generally does not include amounts overdue by 365 days.

2.7 Advances, deposits, prepayments and other receivables

These are initially recognized at fair value and subsequently measured at amortized cost using effective profit method, less any allowance for expected credit losses. These generally do not include amounts overdue by 365 days.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.9 Creditors, accrued expenses and other liabilities

These are initially recognized at fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company, and subsequently measured at amortized cost using effective profit method.

2.10 Provisions

Provisions are recognized when the Company has a 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 obligations and a reliable estimate of the amount can be made.

2.11 Taxation

Current

Provision for 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 includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

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

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.12 Revenue from contracts with customers

Revenue recognition

a) Rendering of services

Management remuneration is charged up to 10 percent of net profit of modaraba and is recognized on an accrual basis.

b) Profit

Profit is recognized as it accrues using the effective profit method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period

using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

c) Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

d) Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

2.13 Expenses

All expenses are recognized in the Statement of profit or loss on accrual basis.

2.14 Related party transactions

All transactions with related parties are priced on an arm's length basis. Prices for these transactions are determined on the basis of admissible valuation methods.

2.15 Staff retirement benefits

(a) Provident fund

A provident fund for all eligible employees and equal contributions by the employer and employee are made at the rate of 10% of the basic salaries of the employees . The Company's contributions to the fund are charged to statement of profit or loss.

(b) Gratuity fund

The Company operates a funded gratuity scheme for all eligible employees who have completed the minimum qualifying period of service. The fund is administered by the trustee nominated under the Trust Deed. The contributions to the Fund are made in accordance with the actuarial valuation using Projected Unit Credit Method.

(c) Compensated absences

The Company makes provision in the financial statements for its liability towards compensated absences based on the leaves accumulated up to the statement of financial position's date.

2.16 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.17 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.18 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.19 Government grants

Government grants are recognized when there is reasonable assurance that entity will comply with the conditions attached to it and grant will be received.

2.20 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. FIXED ASSETS	Note	2021 Rupees	2020 Rupees
Operating fixed assets	3.1	6,701,449	8,542,509
Intangible assets		1	1
Advance against capital expenditure		4,567,000	-
		<u>11,268,450</u>	<u>8,542,510</u>

3.1 Following is the breakup of operating fixed assets:

	Leasehold improvement on building	Furniture and fixtures	Office equipment	Computer equipment	Motor vehicle	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At 30 June 2021						
Cost	9,484,003	777,653	320,000	95,390	1,927,150	12,604,196
Accumulated depreciation	(3,348,074)	(533,292)	(319,996)	(95,388)	(1,605,997)	(5,902,747)
Net carrying value	<u>6,135,929</u>	<u>244,361</u>	<u>4</u>	<u>2</u>	<u>321,153</u>	<u>6,701,449</u>
Year ended 30 June 2021						
Opening net book value (NBV)	6,610,205	320,993	4	2	1,611,305	8,542,509
Addition - cost	-	-	-	-	-	-
Disposal:						
Cost	-	-	-	-	(2,714,140)	(2,714,140)
Accumulated depreciation	-	-	-	-	1,945,148	1,945,148
	-	-	-	-	(768,992)	(768,992)
Depreciation charge for the year	(474,276)	(76,632)	-	-	(521,160)	(1,072,068)
Closing carrying value	<u>6,135,929</u>	<u>244,361</u>	<u>4</u>	<u>2</u>	<u>321,153</u>	<u>6,701,449</u>
At 30 June 2020						
Cost	9,484,003	777,653	320,000	95,390	4,641,290	15,318,336
Accumulated depreciation	(2,873,798)	(456,660)	(319,996)	(95,388)	(3,029,985)	(6,775,827)
Net carrying value	<u>6,610,205</u>	<u>320,993</u>	<u>4</u>	<u>2</u>	<u>1,611,305</u>	<u>8,542,509</u>
Year ended 30 June 2020						
Opening net book value (NBV)	7,084,481	398,753	23	2	2,539,589	10,022,848
Addition - cost	-	-	-	-	-	-
Depreciation charge for the year	(474,276)	(77,760)	(19)	-	(928,284)	(1,480,339)
Closing carrying value	<u>6,610,205</u>	<u>320,993</u>	<u>4</u>	<u>2</u>	<u>1,611,305</u>	<u>8,542,509</u>
Rate	5%	10%	20%	33.33%	20%	

3.1.1 Detail of owned assets disposed off during the year are as follows:

Description	Cost	NBV	Deduction from salary	Gain / (loss) on disposal	Mode of disposal	Particulars and relation with purchaser
	Rupees	Rupees	Rupees	Rupees		
Honda Civic 1.8 I-Vtec	2,714,140	768,992	768,992	-	As per terms approved by board of directors	Chief Executive Officer (Retired)

4.	RIGHT-OF-USE ASSET	Note	2021 Rupees
	Cost		4,483,469
	Accumulated depreciation		(3,367,583)
	Net book value		1,115,886
	Movement in right of use asset:		
	Opening net book value		1,564,233
	Right of use asset initially recognised as at 01 July 2019		-
	Depreciation for the year		(448,347)
	Closing net book value		1,115,886
	Annual rate of depreciation (%)		10%
4.1	The Company's right to use on premises represents office premises obtained under lease arrangements for a period of less than 12 months period. The principal terms and conditions of the lease arrangements entered into by the Company and outstanding at year end are as follows:		
	Office Premises	Lessor Name	Lease Start Date
	Ground Floor Naudero Sugar Mills Distt. Larkana	M/s Naudero Sugar Mills (Private) Limited	26-Dec-13
	First Floor Imperial Court Dr. Ziauddin Ahmed Road Karachi	Mohammed Usman Hajrabi Trust	28-Jun-21
5.	LONG TERM INVESTMENT - RELATED PARTY		2021 Rupees
	Fair value through other comprehensive income (FVTOCI)		
	Sindh Modaraba - Listed		
	42,446,000 (2020: 42,461,000) certificates of Rupees 10 each	5.1	425,131,631
	Diminution on revaluation of certificates		(51,606,831)
			373,524,800
5.1	Net unrealized appreciation / (diminution) on re-measurement of investment classified as FVTOCI		
	Market value of investment		373,524,800
	Less: Cost of investment		(425,131,631)
			(51,606,831)
	Realised fair value gain on disposal		15,700
	Less: Net unrealized diminution in fair value of investment at the beginning of the year		(76,677,121)
			25,085,990
5.2	Sindh Modaraba is floated and managed by the Company and the Company holds 94.32% (2020: 94.32%) total certificate capital of the Modaraba, a related party.		
5.3	The break-up value of the above investment, based on the audited accounts of Sindh Modaraba is Rs. 13.89 (2020: Rupees 13.55) per certificate as at 30 June 2021 and the quoted market price on the Pakistan Stock Exchange as on 30 June 2021 was Rupees 8.80 (2020: Rupees 8.21) per certificate. The investment is carried at fair value through other comprehensive income (FVTOCI).		
5.4	Investment in Sindh Modaraba (associated undertaking) has been made in accordance with the Companies Act, 2017.		
6.	LONG TERM LOAN - UNSECURED - RELATED PARTY	6.1	1,000,000,000

6.1 This represents interest free loan provided to Sindh Modaraba (related party). The loan is su debts of Modaraba and is repayable at the discretion of Modaraba. The Modaraba has the o certificates in future against this loan, subject to necessary regulatory approvals. Since this discretion of Sindh Modaraba with no definite repayment schedule, it is impracticable to dete of this loan.

6.2 The maximum aggregate amount due at the end of any month during the year is Rupees : Rupees 1000 million)

6.3 Investment in Sindh Modaraba (associated undertaking) has been made in accordance with the Companies Act, 2017.

7. MANAGEMENT REMUNERATION RECEIVABLE FROM SINDH MODARABA - RELATED

The Company is entitled to a remuneration for services rendered to the Sindh Modaraba und Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, up to a r annual net profits of the Sindh Modaraba. The Company records accruals in respect of mana after finalization of profit for the year of the Sindh Modaraba.

7.1 The maximum aggregate amount due at the end of any month during the year is Rupees 1: Rupees 12.411 million).

8. SHORT TERM INVESTMENT	Note	2021 Rupees
Term Deposit Receipts - TDRs	8.1	<u>145,000,000</u>

8.1 This represents investment made in Term Deposit Receipts in Sindh Bank Limited (a related p of 3 months. This investment carries profit at the rate of 7% per annum.

9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit		50,000
Prepaid office rent		762,148
Prepaid expenses		16,239
Prepaid insurance		41,150
Accrued share of profit from Sindh Modaraba		-
Accrued income from term deposit receipts	9.1	2,141,234
Accrued income from bank deposits	9.1	22,331
		<u>3,033,102</u>

9.1 These represents accrued income on deposits with Sindh Bank Limited, a related party except of Rupees 63 on bank deposit with NRSP Microfinance Bank Limited.

10. BANK BALANCES

PLS accounts	10.1	<u>2,281,935</u>
--------------	------	-------------------------

10.1 These carry profit at the rates ranging from 5.50% to 6.64% per annum (2020: 7.35% to 1 This includes balance of Rupees 2.269 million (2020: 134.601 million) held with Sindh Ban party.

11. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2021	2020		
(No. of shares)			
100,000,000	100,000,000	Ordinary shares of Rupees 10 each, fully paid in cash	1,000,000,000
50,000,000	50,000,000	Right issue of ordinary shares of Rupees 10 each fully paid in cash	500,000,000
<u>150,000,000</u>	<u>150,000,000</u>		<u>1,500,000,000</u>

12. LEASE LIABILITY	Note	2021 Rupees
Balance as at 01 July		2,619,044
Initial recognition on adoption of IFRS 16		-
Finance cost		227,748
Less: payments made during the year		(832,500)
		2,014,292
Current portion shown under current Liabilities		(668,078)
	12.1	1,346,214

12.1 This represents present value of lease commitments entered into with for branch office aggregate lease terms of 10 years. When measuring lease liability for office premises, the C lease payments using an estimated incremental borrowing rate of 10%.

12.2 The amount of future payments under the lease agreements and the period in which t become due are as follows:

2021	Minimum lease commitment	Future finance cost
	Rupees	Rupees
Not later than one year	2,839,308	164,422
Later than one year but not later than five years	1,447,625	101,411
	4,286,933	265,833
2020	Minimum lease commitment	Future finance cost
	Rupees	Rupees
Not later than one year	832,500	227,822
Later than one year but not later than five years	2,280,125	265,759
	3,112,625	493,581

13. STAFF RETIREMENT BENEFITS	Note	2021 Rupees
Payable to gratuity fund	13.1	543,917
Provision for compensated absences	13.2	1,080,000
		1,623,917

13.1 Payable to gratuity fund

Present value of defined benefit obligation	13.1.1	2,459,493
Less: Fair value of plan assets	13.1.2	(1,915,576)
		543,917

13.1.1 Changes in present value of defined benefit obligations

Balance as at 01 July	3,636,360
Current services cost	40,992
Interest cost	14,609
Benefits paid	(3,636,360)
Liability transferred from Modaraba	1,832,030
Remeasurements:	
- Actuarial loss from changes in financial assumptions	2,847
- Experience adjustments	569,015
	2,459,493

13.1.2 Changes in fair value of plan assets

Balance as at 01 July	2,720,542
Contributions	915,818
Interest income on plan assets	115,623
Benefits paid	(3,636,360)
Plan assets transferred from Modaraba	1,832,030
Return on plan assets, excluding interest income	(32,077)
	1,915,576

13.1.3 (Income) / expenses to be charged to statement of profit or loss	Note	2021 Rupees
Current services cost		40,992
Interest cost of defined benefit obligations		14,609
Interest income on plan assets		(115,623)
		<u>(60,022)</u>
13.1.4 Remeasurement loss / (gain) chargeable to other comprehensive income		
Actuarial loss from changes in financial assumptions		2,847
Experience adjustments		569,015
		<u>571,862</u>
Less: Return on plan assets excluding interest income		32,077
		<u>603,939</u>
13.1.5 Changes in net liability		
Balance as at 01 July		915,818
(Income) / expenses to be charged to P&L		(60,022)
Remeasurement loss/(gain) charged to other comprehensive income		603,939
Liability transferred from Modaraba		1,832,030
Plan assets transferred from Modaraba		(1,832,030)
Contributions		(915,818)
		<u>543,917</u>
13.1.6 Significant actuarial assumption		
Discount rate used for interest cost in P&L charges		8.50%
Discount rate used for year end obligation		10.25%
Salary increase used for year end obligation		
Salary increase FY 2021		N/A
Salary increase FY 2022		10.25%
Salary increase FY 2023		10.25%
Salary increase FY 2024		10.25%
Salary increase FY 2025		10.25%
Salary increase FY 2026		10.25%
Salary increase FY 2027 onwards		10.25%
		1-Jul-21
Net salary is increased at:		
		SLIC 200
Mortality rates		Setback
Withdrawal rates		Age-b.
Retirement assumptions		Age SLIC 20
Estimated expenses to be charged to P&L		
Current services cost		542,318
Interest cost on defined benefit obligation		249,868
Interest income on plan asset		(241,052)
		<u>551,134</u>
Plan assets comprise of:		
Cash and bank deposits		<u>100%</u>
Year end sensitivity (+/- 100bps) on defined benefit obligation		
Discount rate +100 bps		2,280,895
Discount rate - 100 bps		2,654,634
Salary increase +100 bps		2,654,487
Salary increase - 100 bps		2,277,775

2020
Rupees

4,483,469
(2,919,236)
<u>1,564,233</u>

-
2,012,580
(448,347)
<u>1,564,233</u>

10%

angements for more
entered into by the

Lease Tenure

10 Years
12 months

2020
Rupees

425,281,931
(76,677,121)
<u>348,604,810</u>

348,604,810
(425,281,931)
(76,677,121)
-

(106,824,431)
<u>30,147,310</u>

2020: 94.36%) of the

daraba, is Rupees
e on Pakistan Stock
above investment is

the requirements of

<u>1,000,000,000</u>

sub-ordinate to senior
option to issue equity
loan is repayable at
current present value

1,000 million (2020:

the requirements of

PARTY

under section 18 of the
maximum of 10% of
management fee annually

2.411 million (2020:

**2020
Rupees**

-

party) for the period

50,000
693,385
28,836
81,145
59,044,812
-
823,570
60,721,748

: for accrued income

134,973,582

1.50% per annum).
k Limited, a related

1,000,000,000

500,000,000
1,500,000,000

2020
Rupees

-
3,086,700
283,444
(751,100)
2,619,044
(832,500)
1,786,544

premises having a
Company discounted

these payments will

Future value of lease liability
Rupees
2,674,886
1,346,214
4,021,100

Future value of lease liability
Rupees
604,678
2,014,366
2,619,044

2020
Rupees
915,818
2,500,000
3,415,818

3,636,360
2,720,542
915,818

2,505,985
1,020,769
357,103
-
-
-
(247,497)
3,636,360

1,634,908
871,077
295,039
-
-
(80,482)
2,720,542

2020
Rupees

1,020,769
357,103
(295,039)
<u>1,082,833</u>

-
(247,497)
<u>(247,497)</u>
80,482
<u>(167,015)</u>

871,077
1,082,833
(167,015)
-
-
(871,077)
<u>915,818</u>

9.00%
14.25%

8.50%
8.50%
8.50%
8.50%
8.50%
8.50%
8.50%
1-Jul-20

01-2005
1 year
ased
001-2005

1,038,276
154,545
(113,722)
<u>1,079,099</u>

<u>100%</u>

3,636,360
3,636,360
3,636,360
3,636,360

Expected benefit payments for the next 10 years and beyond

	2021 Rupees	2020 Rupees
FY 2021	-	3,636,360
FY 2022	43,509	-
FY 2023	57,911	-
FY 2024	71,437	-
FY 2025	90,891	-
FY 2026	114,646	-
FY 2027	143,359	-
FY 2028	178,160	-
FY 2029	219,963	-
FY 2030	269,623	-
FY 2031	14,166,079	-

The average duration of the defined benefit obligation is**8 years** 0 year**13.2 Provision for compensated absences**

Balance as at 01 July	2,500,000	1,823,250
Provision for the year	760,999	676,750
CEO's compensation transferred from Sindh Modaraba	819,001	-
	4,080,000	2,500,000
Payment / adjustment during the year	(3,000,000)	-
	1,080,000	2,500,000

14. CREDITORS, ACCRUED AND OTHER LIABILITIES

Accrued expenses	2,143,683	2,487,917
Auditor's remuneration	153,584	152,171
Advance received from Government of Sindh - related party	20,300,448	20,300,448
Other liabilities	31,375	1,272
	22,629,090	22,941,808

14.1 This represents amount received from Government of Sindh against expenses to be incurred in relation to issuance of Sukuk by Sindh Modaraba.**15. ADVANCE TAX - NET OF PROVISION FOR TAXATION**

Balance as at 01 July	(12,101,766)	4,079,675
Provision for the year:		
Current tax	(16,753,370)	(27,916,540)
Prior year	2,450,137	(367,903)
	(14,303,233)	(28,284,443)
Advance tax:		
Tax deducted / collected at source	16,877,397	12,103,002
Tax paid	9,651,629	-
	26,529,026	12,103,002
	124,027	(12,101,766)

16. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at reporting date (2020: Nil) other than those disclosed in Note 12.2 to the financial statements.

17. INCOME		2021 Rupees	2020 Rupees
Modaraba management company's remuneration - related party		7,862,480	12,411,104
Dividend income from Sindh Modaraba		57,302,100	57,322,350
Income on commercial paper		-	2,225,838
Profit on daily product account		6,425,088	14,055,374
Share of profit from Sindh Modaraba		-	59,044,812
Profit on Term Deposit Receipts	8.1	4,954,797	580,822
		76,544,465	145,640,300
18. GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits		7,972,120	25,428,028
Directors' meeting fee		5,700,000	3,025,000
Insurance expense		121,914	143,718
Security guard charges		99,996	91,667
Legal and professional		269,233	232,145
Entertainment		58,064	40,622
Vehicle running expense		440,592	882,462
Traveling Expenses		276,415	-
Rent expense		1,948,496	1,818,705
Registration and subscription fee		262,093	4,230,148
Advertisement & Publications		298,129	-
Auditors' remuneration	18.1	153,584	143,840
Repair and maintenance		180,000	135,000
Depreciation		1,520,415	1,928,686
Miscellaneous expenses		1,647	1,582
		19,302,698	38,101,603
18.1 Auditors' remuneration			
Audit fee		99,792	90,720
Special certificate		43,200	43,200
Out of pocket expense		10,592	9,920
		153,584	143,840
19. TAXATION			
Current year		16,753,370	27,916,540
Prior year		(2,450,137)	367,903
Deferred	19.2	-	-
		14,303,233	28,284,443

19.1 The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemption available if any.

19.2 Deferred tax asset has been worked out amounting to Rupees 21.120 million which has not been accounted for in these financial statements due to uncertainties regarding the future taxable profits against which such asset would be utilized.

20. REMUNERATION PAID TO CHIEF EXECUTIVE OFFICERS	Note	2021 Rupees	2020 Rupees
Mr. Zulfiqar Ali (Appointed)			
Basic salary		656,935	-
House rent		295,550	-
Other allowances		131,386	-
Bonuses		-	-
Provident fund		65,693	-
Other benefits		136,307	-
		1,285,871	-
Mr. Muhammad Naimuddin Farooqui (Retired)			
Basic salary		3,372,431	10,909,091
House rent		1,517,594	4,909,091
Other allowances		674,491	2,181,818
Bonuses		281,444	2,609,090
Provident fund		337,243	1,090,908
Other benefits		3,581,521	1,929,433
		9,764,724	23,629,431

20.1 Chief Executive Officer of the Company has been provided free use of the Company's cars including fuel and insurance.

21. PROVIDENT FUND RELATED DISCLOSURE

Detail of the Staff Provident Fund based on financial statements for the year ended 30 June 2021 and 30 June 2020 are below:

	Un-audited 2021 Rupees	Audited 2020 Rupees
Size of the fund (total assets)	9,361,163	13,479,876
Cost of investment	9,310,730	13,399,876
Fair value of investment	9,310,730	13,399,876
	Percentage	
Percentage of investment made	99%	99%

Break up of investment at cost

	2021		2020	
	Rupees	Percentage	Rupees	Percentage
PLS account	9,310,730	99%	13,399,876	99%

21.1 Investments out of provident funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017, and the rules formulated for the purpose.

22. RELATED PARTY TRANSACTIONS

22.1 Related parties comprise of group companies, key management personnel of the Company and directors and their close family members, major shareholders of the Company, staff provident and gratuity fund and other entities owned by the Government of Sindh. Detail of transactions with related parties, other than disclosed in Note 13.2 and 20 to the financial statements are as follows:

Name of related party and basis of relationship	Nature of transaction	2021 Rupees	2020 Rupees
Sindh Bank Limited			
Associated company	Profit on daily product account	6,405,772	13,144,633
	Profit on TDRs - Sindh Bank Ltd	4,954,797	580,822
Sindh Modaraba			
Associated undertaking	Management company`s remuneration received	12,411,104	9,335,941
	Accrued share of profit from Sindh Modaraba	-	59,044,812
	Share of profit received from Sindh Modaraba	59,044,812	-
	Long term loan provided	-	500,000,000
	Dividend received	57,302,100	57,322,350
Government of Sindh			
Major shareholder	Dividend Paid	74,999,997	-
Sindh Insurance Company Limited			
Associated Company	Insurance premium paid	179,358	203,547
Sindh Modaraba Employee's Provident Fund			
Associated entity	Employees' contribution	402,936	1,090,908
	Employer's contribution	402,936	1,090,908
Sindh Modaraba Employee's Gratuity Fund			
Associated entity	Contribution made during the year	915,818	871,077
Directors	Directors meeting fees paid during the year		
Muhammad Shahid Murtaza		600,000	825,000
Asif Haider Mirza		375,000	525,000
Najam Ahmed Shah		-	100,000
Kamal Ahmed		1,350,000	775,000
Yasmin Zafar		450,000	675,000
Syed Hasan Naqvi		525,000	50,000
Muhammad Bilal Sheikh		450,000	75,000
Waseem Mehdi		750,000	-
Habibullah Khilji		675,000	-
Rehan Anjum		300,000	-
Rukhsana Narejo		225,000	-

23 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

23.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

'Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to currency risk.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest 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 Company is not exposed to equity price risk since there are no direct investments in equity instruments traded in the market at the reporting date. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

(iii) Profit rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in profit rates. At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was:

	2021 Rupees	2020 Rupees
Fixed rate instruments:		
Financial assets		
Term Deposit Receipts (TDRs)	145,000,000	-
Financial liabilities	-	-
Net exposure	<u>145,000,000</u>	<u>-</u>
Floating rate instruments:		
Financial assets		
PLS accounts	2,281,935	134,973,582
Financial liabilities	-	-
Net exposure	<u>2,281,935</u>	<u>134,973,582</u>

Fair value sensitivity analysis for fixed rate instruments

As at 30 June 2021, if market interest rates had been 1% higher / lower with all other variables held constant, pre-tax profit for the year would have been higher / lower by Rupees 1.450 million (2020: Rupees Nil).

Fair value sensitivity analysis for variable rate instruments

As at 30 June 2021, if market interest rates had been 1% higher / lower with all other variables held constant, pre-tax profit for the year would have been higher / lower by Rupees 22,819 (2020: 1.350 million).

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk of the Company arises from deposits with banks, trade debts, accrued mark up and advances and deposits. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021 Rupees	2020 Rupees
Long term investment	373,524,800	348,604,810
Long term loan	1,000,000,000	1,000,000,000
Management remuneration receivable	7,862,480	12,411,104
Short term investment	145,000,000	-
Deposits and other receivables	2,213,565	59,918,382
Bank balances	2,281,935	134,973,582
	1,530,882,780	1,555,907,878

The credit quality of financial assets (mainly balances with banks) that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

Banks	Rating		Agency		
	Short Term	Long Term			
Sindh Bank Limited	A+	A-1	VIS	147,269,970	134,600,985
NRSP Microfinance Bank Limited	A	A-1	VIS	11,965	372,597
				147,281,935	134,973,582

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient bank balances. At 30 June 2021, the Company had bank balances of Rupees 2.282 million (2020: Rupees 134.974 million) and term deposit receipts of Rupees 145 million (2020: Nil). Following are the contractual maturities of financial liabilities. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities:

2021	
Lease liability	Creditors, accrued and other liabilities
Carrying amount	2,014,292
Contractual cash flows:	
6 month or less	1,419,654
6 months to 12 months	1,419,654
More than 1 year	1,447,625
	4,286,933
	2,328,642
2020	
Lease liability	Creditors, accrued and other liabilities
Carrying amount	2,619,044
Contractual cash flows:	
6 month or less	416,250
6 months to 12 months	416,250
More than 1 year	2,280,125
	3,112,625
	2,641,360

23.2 Recognized fair value measurements

(a) Financial Assets

Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table:

Recurring fair value

measurements

As at 30 June 2021

Investment at fair value

through other comprehensive

Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
373,524,800	-	-	373,524,800

As at 30 June 2020

Investment at fair value

through other comprehensive

348,604,810	-	-	348,604,810
-------------	---	---	-------------

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

(b) Non-Financial Assets

The carrying value of all non-financial assets reflected in these financial statements are approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

23.3 Financial instrument by categories

	At fair value through other comprehensive income Rupees	At amortized cost Rupees	Total Rupees
As at 30 June 2021			
Assets as per statement of financial position			
Long term investment	373,524,800	-	373,524,800
Long term loan	-	1,000,000,000	1,000,000,000
Management remuneration	-	7,862,480	7,862,480
Short term investment	-	145,000,000	145,000,000
Deposits and other receivables	-	2,213,565	2,213,565
Bank balances	-	2,281,935	2,281,935
	373,524,800	1,157,357,980	1,530,882,780

	Financial liabilities at amortized cost	
Liabilities as per statement of financial position	Rupees	
Creditors, accrual and other liabilities		2,328,642
Lease liability		2,014,292
		4,342,934

	At fair value through other comprehensive income	At amortized cost	Total
	Rupees	Rupees	Rupees
As at 30 June 2020			
Assets as per statement of financial position			
Long term investment	348,604,810	-	348,604,810
Long term loan	-	1,000,000,000	1,000,000,000
Deposits and other receivables	-	12,411,104	12,411,104
Advance, deposits and other receivables	-	59,918,382	59,918,382
Bank balances	-	134,973,582	134,973,582
	348,604,810	1,207,303,068	1,555,907,878

	Financial liabilities at amortized cost	
Liabilities as per statement of financial position	Rupees	
Creditors, accrual and other liabilities		2,641,360
Leased liability		2,619,044
		5,260,404

Reconciliation to the line items presented in the statement of financial position is as follows:

	Financial assets	Non-financial assets	Total as per statement of financial position
	Rupees	Rupees	Rupees
As at 30 June 2021			
Assets as per statement of financial position			
Long term investment	373,524,800	-	373,524,800
Long term loan	1,000,000,000	-	1,000,000,000
Management remuneration receivable from Sindh			
Modaraba - related party	7,862,480	-	7,862,480
Short term investment	145,000,000	-	145,000,000
Deposits, prepayments and other receivables	2,213,565	819,537	3,033,102
Bank balances	2,281,935	-	2,281,935
	1,530,882,780	819,537	1,531,702,317

	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	Rupees	Rupees	Rupees
As at 30 June 2021			
Liabilities as per statement of financial position			
Lease liability	2,014,292	-	2,014,292
Creditors, accrued and other liabilities	2,328,642	20,300,448	22,629,090
	4,342,934	20,300,448	24,643,382

	Financial assets	Non-financial assets	Total as per statement of financial position
	Rupees	Rupees	Rupees
As at 30 June 2020			
Assets as per statement of financial position			
Long term investment	348,604,810	-	348,604,810
Long term loan	1,000,000,000	-	1,000,000,000
Management remuneration receivable from Sindh Modaraba - related party	12,411,104	-	12,411,104
Deposits, prepayments and other receivables	59,918,382	803,366	60,721,748
Bank balances	134,973,582	-	134,973,582
	<u>1,555,907,878</u>	<u>803,366</u>	<u>1,556,711,244</u>
	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	Rupees	Rupees	Rupees
As at 30 June 2020			
Liabilities as per statement of financial position			
Lease liability	2,619,044	-	2,619,044
Creditors, accrued and other liabilities	2,641,360	20,300,448	22,941,808
	<u>5,260,404</u>	<u>20,300,448</u>	<u>25,560,852</u>

24. NUMBER OF EMPLOYEES

The number of employees during the year are as follows:

	2021		2020	
	At year end	Average	At year end	Average
Number of employees				
- Permanent	1	1	1	1
- Contractual	-	-	1	1

25. DATE OF AUTHORIZATION FOR ISSUE

These financial statements are approved and authorized for issue on September 07, 2021 by the Board of Directors of the Company.

26. GENERAL

- Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made during the year in these financial statements, except for the following:

From	To	Rupees
Creditors, accrued and other liabilities	Staff retirement benefits	<u>3,415,818</u>

- Figures have been rounded off to the nearest rupee.



Chief Executive Officer



Director