

AWWAL MODARABA

HALF YEARLY REPORT
DECEMBER 31, 2020

MANAGED BY

AWWAL MODARABA MANAGEMENT LIMITED

Vision & Mission Statements

VISION STATEMENT

Awwal Modaraba Management Limited (AMML) will play a role in the economic progress and development of Pakistan by providing a range of advisory services and financial support, through Shari'ah compliant modes; to viable projects in high growth, capital starved sectors of the economy.

MISSION STATEMENT

AMML aims to be at the vanguard of innovation in modaraba management services, offering the best solutions to our customers, value to our shareholders and modaraba investors, complemented with a challenging, equal opportunity environment to our employees.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Khalid Aziz Mirza	Chairman	Independent Director
Mr. Shahid Ghaffar		Independent Director
Ms. Ayesha Aziz		Non-Executive Director
Mr. Abdul Jaleel Shaikh		Non-Executive Director
Mr. Ahmed Ateeq		Non-Executive Director
Mr. Karim Hatim		Chief Executive Officer

Audit Committee

Mr. Shahid Ghaffar	Chairman
Mr. Khalid Aziz Mirza	Member
Mr. Abdul Jaleel Shaikh	Member
Mr. Ahmed Ateeq	Member

Human Resource and Remuneration Committee

Mr. Khalid Aziz Mirza	Chairman
Ms. Ayesha Aziz	Member
Mr. Karim Hatim	Member

Company Secretary

Ms. Misbah Asjad

Chief Financial Officer

Mr. Aftab Afroz Mahmoodi

Auditor

BDO Ebrahim & Co, Chartered Accountants

Bankers

Habib Bank Limited
Dubai Islamic Bank
Soneri Bank

Certificate Registrar

THK Associates (Private) Limited.
Plot No: 32-C, Jami Commercial, Street No: 2,
DHA, Phase-VII, Karachi, Tel: 021-111-000-322
Fax: 021-35310190, E-mail: sfc@thk.com.pk

Legal Advisor

LAM Ebrahim Mohsin

Shariah Advisor

Mufti Muhammad Hassaan Kaleem

Registered Office

6th Floor, Horizon Vista, Plot No:
Commercial 10, Block-4, Clifton, Karachi
Phone : 021- 38771685,
Fax: 021-35374275

Directors' Report

On behalf of the Board of Directors (Board) of Awwal Modaraba Management Limited, the management company of Awwal Modaraba, is pleased to present Directors' Report together with the unaudited financial results of Awwal Modaraba for the six months period ended 31 Dec 2020.

Economy

The State Bank of Pakistan (SBP) remained positive about economic recovery in its recent Monetary Policy Statement issued on January 22, 2021. The Central Bank has kept the policy rate unchanged at 7% since June 2020, while also hinting that the status quo would be maintained barring any unexpected development.

Economic recovery has strengthened since November 2020 as signalled by growth in large-scale manufacturing; though this growth is still well below its FY19 level indicating spare capacity in the economy. Construction activity has picked up pace driven by strong incentives while service sector is also coming back to life following ease in lockdown and resumption of economic activity. Inflation has been under the estimated levels while exchange rate has also been relatively stable. Although economy still remains vulnerable to possible fallouts from second wave of Covid-19, potential availability of vaccines should be able to contain the pandemic.

Financial Performance

The asset portfolio of the Modaraba is performing satisfactorily with sound recovery performance. The outstanding portfolio size amounted to PKR 606.67 million at the end of the first six months of FY2021 (FY2020: PKR 802.71 million). During the six months under review, overall revenues have been recorded at PKR 56.96 million compared to PKR 99.41 million in corresponding period last year reflecting impact of lower mark-up rates and advisory income. Total expenses for the period were contained at PKR 29.28 million. The Modaraba posted profit before tax for the period at PKR 27.13 million compared to the corresponding period of PKR 69.21 million. The fall in profitability has resulted from the management decision to follow a cautious approach in underwriting new loans and preserve asset quality. Our team continues to work on multiple projects which, if materialized, are expected to boost profitability in second half of the year.

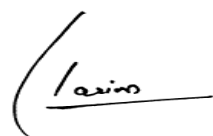
Governance

There has been no change in the Board of Directors of Awwal Modaraba Management Limited during the period under review.

Acknowledgement

The Board would like to acknowledge and appreciate Securities and Exchange Commission of Pakistan and Registrar Modaraba for their continuous guidance and support. Also, would like to avail this opportunity to thank its customers and investors for placing their trust in the Modaraba.

On behalf of the Board



Karim Hatim
Chief Executive



Ahmed Ateeq
Director

Date: 23 Feb 2021

ڈائریکٹر رپورٹ

چھ ماہ کی مدت کے لئے 31 دسمبر 2020 کو ختم ہوا

اول مضاربہ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز (بورڈ) کی جانب سے، اول مضاربہ کی انتظامیہ کمپنی نے 31 دسمبر 2020 کو ختم ہونے والے چھ ماہ کی مدت کے لئے اول مضاربہ کے غیر سودمند مالی نتائج کے ساتھ ڈائریکٹرز کی رپورٹ پیش کرنے پر خوشی محسوس کر رہے ہیں۔

معیشت

اسٹیٹ بینک آف پاکستان (SBP) 22 جنوری 2021 کو جاری کردہ حالیہ مالیاتی پالیسی کے بیان میں معاشی بحالی کے بارے میں مثبت رہا۔ سینٹرل بینک نے جون 2020 سے اب تک پالیسی شرح میں 7 فیصد کی شرح کو بدلا ہے، جبکہ یہ بھی اشارہ دیا ہے کہ جمود برقرار رہے گا کسی غیر متوقع ترقی کو چھوڑ کر برقرار رکھا جائے۔

نومبر 2020 کے بعد معاشی بحالی مضبوط ہوئی ہے جو بڑے پیمانے پر مینوفیکچرنگ میں اضافے کا اشارہ ہے حالانکہ یہ نمونہ بھی مالی سال 19 کے سطح سے بھی کم ہے جس کی نشاندہی معیشت میں فالتو صلاحیت کی ہے۔ تعمیراتی سرگرمی نے مضبوط مراعات سے کام لیا ہے جبکہ لاک ڈاؤن اور معاشی سرگرمیوں کی بحالی میں آسانی کے بعد سروس سیکٹر بھی زندگی میں واپس آ رہا ہے۔ افراط زر متوقع سطح کے نیچے رہا ہے جبکہ زرمبادلہ کی شرح بھی نسبتاً مستحکم رہی ہے۔ اگرچہ کوویڈ 19 کی دوسری لہر سے معیشت اب بھی ممکنہ خرابی کے خطرے سے دوچار ہے، ویکسینوں کی ممکنہ فراہمی و بائی مرض پر قابو پانے کے قابل ہو رہی ہے۔

مالیاتی کارکردگی

مضاربہ کا اثاثہ پورٹ فولیو آواز کی بازیابی کی کارکردگی کے ساتھ اطمینان بخش کارکردگی کا مظاہرہ کر رہا ہے۔ (مالی سال 2020 پاکستانی روپے 802.71 ملین) کے پہلے چھ مہینوں کے اختتام پر پورٹ فولیو کا بقایا سائز پاکستانی روپے 606.67 ملین تھا۔ چھ ماہ کے جائزے کے دوران، مجموعی طور پر محصولات پاکستانی روپے 59.96 ملین ریکارڈ کی گئیں، جبکہ گذشتہ سال کے اسی عرصے میں پاکستانی روپے 99.41 ملین کے مقابلے میں، کم مارک اپ ریٹ اور مشاورتی آمدنی کے اثرات کی عکاسی کرتی ہے۔ اس عرصے کے لئے کل اخراجات 29.28 ملین پاکستانی روپے پر مشتمل تھے۔ مضاربہ نے پاکستانی روپے کے اسی عرصے کے دوران ٹیکس سے پہلے 27.13 ملین ڈالر کا منافع کیا تھا جس کی مدت 69.21 ملین تھی۔ منافع میں کمی کے نتیجے میں انتظامیہ نے نئے قرضوں کی تحویل میں محتاط انداز اپنانے اور اثاثوں کے معیار کو محفوظ رکھنے کا فیصلہ کیا ہے۔ ہماری ٹیم متعدد پروجیکٹس پر کام جاری رکھے ہوئے ہے، اگر ان کو عملی جامہ پہنایا جاتا ہے تو، سال کے دوسرے نصف حصے میں منافع میں اضافے کی توقع کی جاتی ہے۔

گورنس

زیر نظر مدت کے دوران اول مضاربہ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں کی گئی ہے۔

تسلیمات

بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور رجسٹرڈ مضاربہ کی مستقل رہنمائی اور مدد کے لئے ان کا اعتراف اور تعریف کرنا چاہتا ہے۔ نیز، اس موقع سے فائدہ اٹھانا چاہیں گے کہ وہ مضاربہ پر اعتماد کرنے کے لئے اپنے صارفین اور سرمایہ کاروں کا شکریہ ادا کرے۔

بورڈ کی جانب سے



احمد عتیق

ڈائریکٹر



کریم حاتم

چیف ایگزیکٹو

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE CERTIFICATE HOLDERS OF AWWAL MODARABA

Introduction

We have reviewed the accompanying condensed interim balance sheet of AWWAL MODARABA ("the Modaraba") as at December 31, 2020 and the related condensed Interim profit and loss account, condensed Interim statement of comprehensive Income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the half year then ended (here-in-after referred as the "condensed interim financial statements"). The Modaraba Management Company (Awwal Modaraba Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at and for the half year ended December 31, 2020 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarter ended December 31, 2020 and December 31, 2019 in the condensed Interim profit and loss account and condensed Interim statement of comprehensive Income have not been reviewed and we do not express a conclusion on them.

The financial statements of the Modaraba for the year ended June 30, 2020 were audited and condensed interim financial statements for the half year ended December 31, 2019 were reviewed by another firm of chartered accountants who through their report dated October 01, 2020, and February 17, 2020 expressed an unmodified opinion and conclusion thereon, respectively.

KARACHI

DATED: 23 FEB 2021



CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

**AWWAL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2020**

	Notes	(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
ASSETS			
CURRENT ASSETS			
Bank balances	4	179,881,407	259,908,801
Modaraba term deposit	5	200,000,000	-
Accruals, prepayments, advances and other receivables		73,718,053	71,083,747
Current portion of receivable against advisory fee	6	37,279,265	34,904,238
Current portion of investment against repurchase agreement	7	48,878,899	48,878,899
Current portion of Musharika Finance	8	306,666,668	452,380,207
Current portion of Diminishing Musharika Finance	9	66,666,666	33,333,334
Current portion of long term loans		2,940,828	1,914,848
Receivable from related party		11,870,234	-
Taxation recoverable		11,015,840	10,515,883
TOTAL CURRENT ASSETS		938,917,860	912,919,957
NON CURRENT ASSETS			
Receivable against advisory fee	6	1,702,992	6,793,225
Long term portion of Musharika Finance	8	-	50,325,885
Long term portion of Diminishing Musharika Finance	9	233,333,334	266,666,666
Long term loans		1,802,209	2,644,879
Long term deposit		75,000	75,000
Intangible asset	10	2,487,827	3,806,159
Operating fixed assets	11	233,384	459,463
TOTAL NON CURRENT ASSETS		239,634,746	330,771,277
TOTAL ASSETS		1,178,552,606	1,243,691,234
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accrued expenses	12	21,862,993	14,901,776
Payable to related parties	14	9,880,268	21,851,692
Unclaimed profit distribution		183,372	158,875
		31,926,633	36,912,343
NON CURRENT LIABILITIES			
Defined benefit obligation	13	-	7,280,767
TOTAL LIABILITIES		31,926,633	44,193,110
CERTIFICATE HOLDERS' EQUITY			
Certificate capital:			
Authorised certificate capital			
100,000,000 Modaraba Certificates of Rs. 10 each	15	1,000,000,000	1,000,000,000
Issued, subscribed, and paid-up certificate capital			
100,000,000 Modaraba Certificates of Rs. 10 each	16	1,000,000,000	1,000,000,000
Statutory reserve		121,546,341	116,120,771
Unappropriated profit		25,079,632	83,377,353
TOTAL EQUITY		1,146,625,973	1,199,498,124
TOTAL LIABILITIES AND EQUITY		1,178,552,606	1,243,691,234
CONTINGENCIES AND COMMITMENTS			
	17		

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

**For Awwal Modaraba Management Limited
(Modaraba Management Company)**



Chief Financial Officer



Chief Executive Officer



Director



Director

AWWAL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

		Half year ended December 31, 2020	Half year ended December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
	Note	Rupees -----			
Income					
Advisory fee		3,100,000	24,000,000	3,100,000	7,000,000
Income from Investment against repurchase agreement		3,085,945	4,850,113	1,601,712	2,630,837
Income from Musharika Finance		23,345,225	28,192,135	10,098,546	13,956,139
Income from Diminishing Musharika Finance		17,848,623	22,598,126	9,817,610	12,327,440
Income from deposits with banks		3,599,941	7,673,833	1,955,024	3,184,297
Income from Modaraba Term Deposit		5,983,561	12,098,630	3,276,712	6,049,315
		56,963,295	99,412,837	29,849,604	45,148,028
Expenses					
Administrative and operating expenses		(29,213,076)	(28,704,255)	(14,796,877)	(13,778,554)
Financial charges		(68,740)	(90,392)	(62,648)	(83,791)
		27,681,479	70,618,190	14,990,079	31,285,683
Management Company's remuneration		-	-	-	-
Provision for Sales Tax on Management Company's remuneration		-	-	-	-
		-	-	-	-
Provision for Workers' Welfare Fund	12.1	(553,630)	(1,412,364)	(299,802)	(625,714)
		27,127,849	69,205,826	14,690,277	30,659,969
Profit for the period before taxation					
Taxation	18	-	-	-	-
		27,127,849	69,205,826	14,690,277	30,659,969
Profit for the period after taxation					
		0.27	0.69	0.15	0.31
Earnings per certificate - basic and diluted	19				

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

For Awwal Modaraba Management Limited
(Modaraba Management Company)



Chief Financial Officer



Chief Executive Officer



Director



Director

AWWAL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

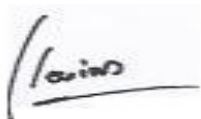
	Half year ended December 31, 2020	Half year ended December 31, 2019	Quarter ended December 31, 2020	Quarter ended December 31, 2019
	----- Rupees -----			
Profit for the period	27,127,849	69,205,826	14,690,277	30,659,969
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>27,127,849</u>	<u>69,205,826</u>	<u>14,690,277</u>	<u>30,659,969</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

For Awwal Modaraba Management Limited
(Modaraba Management Company)



Chief Financial Officer



Chief Executive Officer



Director



Director

AWWAL MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Notes	December 31, 2020 Rupees	December 31, 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation		27,127,849	69,205,826
Adjustments for			
Depreciation on operating fixed assets	11	226,079	561,862
Amortisation on intangible asset	10	1,318,332	1,388,448
		<u>28,672,260</u>	<u>71,156,136</u>
Changes in assets			
Accruals, prepayments, advances and other receivables		(2,634,306)	(19,494,869)
Modaraba Term Deposit		(200,000,000)	-
Receivable against advisory fee		2,715,206	17,313,709
Disbursement of Musharika Finance		(200,000,000)	-
Proceeds from repayment / settlement of Musharika Finance		396,039,424	38,063,627
Disbursement of Diminishing Musharika Finance		-	(135,000,000)
Receivable from related party		(11,870,234)	-
Long term loans		(183,310)	928,593
		<u>(15,933,220)</u>	<u>(98,188,940)</u>
Changes in liabilities			
Accrued expenses		(319,550)	643,852
Payable to related parties		(11,971,424)	(12,420,370)
Unclaimed profit distribution		24,497	15,333
		<u>(12,266,477)</u>	<u>(11,761,185)</u>
Taxes withheld		(499,957)	(2,021,898)
Net cash used in operating activities		<u>(27,394)</u>	<u>(40,815,887)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit paid to certificate holders		(80,000,000)	(89,000,000)
Net cash used in financing activities		<u>(80,000,000)</u>	<u>(89,000,000)</u>
Net decrease in cash and cash equivalents		(80,027,394)	(129,815,887)
Cash and cash equivalents at beginning of the period		259,908,801	164,135,475
Cash and cash equivalents at end of the period		<u>179,881,407</u>	<u>34,319,588</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

For Awwal Modaraba Management Limited
(Modaraba Management Company)



Chief Financial Officer



Chief Executive Officer



Director



Director

AWWAL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Reserves			
	Issued, subscribed, and paid up certificate capital	*Statutory reserve	Unappropriated profit	Total
	(Rupees)			
Balance as at July 01, 2019	1,000,000,000	95,591,501	89,166,007	1,184,757,508
Total comprehensive income for the period				
Profit for the period	-	-	69,205,826	69,205,826
Other comprehensive income for the period	-	-	-	-
	-	-	69,205,826	69,205,826
Transfer to statutory reserve	-	13,841,165	(13,841,165)	-
Transactions with Certificate Holders of the Modaraba - Distribution				
Profit distribution for the year ended June 30, 2019 @ Rs. 0.890 per certificate	-	-	(89,000,000)	(89,000,000)
Balance as at December 31, 2019	1,000,000,000	109,432,666	55,530,668	1,164,963,334
Balance as at July 01, 2020	1,000,000,000	116,120,771	83,377,353	1,199,498,124
Total comprehensive income for the period				
Profit for the period	-	-	27,127,849	27,127,849
Other comprehensive income for the period	-	-	-	-
	-	-	27,127,849	27,127,849
Transfer to statutory reserve	-	5,425,570	(5,425,570)	-
Transactions with Certificate Holders of the Modaraba - Distribution				
Profit distribution for the year ended June 30, 2020 @ Rs. 0.80 per certificate	-	-	(80,000,000)	(80,000,000)
Balance as at December 31, 2020	1,000,000,000	121,546,341	25,079,632	1,146,625,973

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

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

For Awwal Modaraba Management Limited
(Modaraba Management Company)



Chief Financial Officer



Chief Executive Officer



Director



Director

AWWAL MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND OPERATIONS

- 1.1 Awwal Modaraba (the Modaraba) has been floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder. The Modaraba is managed by the Awwal Modaraba Management Limited (Management Company), a Company wholly owned by Pak Brunei Investment Company Limited (Holding Company). After receiving certificate of minimum subscription, the Modaraba commenced its business operations with effect from February 10, 2016. The registered office is situated at 6th Floor, Horizon Vista, Plot Commercial No. 10, Block No. 4, Scheme No. 5, Clifton, Karachi.

Awwal Modaraba is a perpetual, multi purpose and multi dimensional Modaraba and is primarily engaged in providing Working Capital, Term Finance, Ijarah, Musharika, Morabaha and other Shari'ah compliant investment / instrument to credit worthy customers. The Modaraba is listed on Pakistan Stock Exchange Limited (PSX).

2. BASIS OF PREPARATION

2.1 Statement of Compliance

- 2.1.1 These condensed interim financial statements has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 - Interim Financial Reporting, Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Act, 2017 and made applicable to Modarabas, Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) ['the Modaraba Regulations'].

Wherever the requirements of 'the Modaraba Regulations' differ from the requirements of International Accounting Standard (IAS) 34 - Interim Financial Reporting and Islamic Financial Accounting Standards (IFAS) as notified under the provisions of the Companies Act, 2017 and made applicable to Modarabas, requirements of 'the Modaraba Regulations' have been followed.

- 2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Modaraba for the year ended June 30, 2020.
- 2.1.3 The comparative year presented in these condensed interim financial information has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2020, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flows statement, condensed interim statement of changes in equity of the Modaraba are extracted from the unaudited condensed interim financial information for the period ended December 31, 2019.

- 2.1.4 These condensed interim financial information is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 and December 31, 2020 have not been reviewed.
- 2.1.5 The SECP has issued directive (vide SRO 431 (I) / 2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS-2) shall be followed in preparation of the condensed interim financial statements by Companies and Modarabas while accounting for Lease Financing transactions as defined by the said standard. The Modaraba has adopted the said standard.
- 2.1.6 These condensed interim financial information is being submitted to the certificate holders if requested as required by listing 'regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention.

These condensed interim financial statements has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is the Modaraba's functional and presentation currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

**For Awwal Modaraba Management Limited
(Modaraba Management Company)**



Chief Financial Officer



Chief Executive Officer



Director



Director

2.4 Critical accounting estimates and judgements

In preparing these condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Modaraba's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Modaraba's accounting policies and the key sources of estimating the uncertainty were the same as those that apply to the audited financial statements as at and for the year ended June 30, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Modaraba as at and for the year ended June 30, 2020.
- 3.2 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Modaraba's accounting period beginning on or after July 01, 2020. These standards, interpretations and amendments are either not relevant to the Modaraba's operations or are not expected to have a significant effect on these condensed interim financial statements.
- 3.3 The Modaraba's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Modaraba for the year ended June 30, 2020.

		(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
4. BANK BALANCES	Note		
Balances with banks			
in current accounts		183,800	159,289
in deposit accounts	4.1	<u>179,697,607</u>	<u>259,749,512</u>
		<u>179,881,407</u>	<u>259,908,801</u>

- 4.1 These balances are held with Islamic banks and Islamic Banking Windows of commercial banks and carry profit at an average rate of 3.99% to 6% (June 30, 2020: 4.1% to 12.25%) per annum.

		(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
	Note		
5. MODARABA TERM DEPOSIT			
Modaraba Term Deposit	5.1	200,000,000	-
5.1	Awwal Modaraba (Rabb-ul-Maal) invested an amount of Rs. 200 million in the general pool created by related party (Pak Brunei Investment Company Limited) (Mudarib or Investment Manager) in accordance with the principles of Shariah. As per the terms of the agreement, this term deposit will mature on July 16, 2021 and the related party shall pay profit to the Modaraba on maturity with profit sharing ratio between Modaraba and related party of 72.22% and 27.78% respectively, and having profit rate of 6.5% and 2.5% respectively.		
6. RECEIVABLE AGAINST ADVISORY FEE			
Receivable against advisory fee	6.1	38,982,257	41,697,463
Less: current portion of fee		(37,279,265)	(34,904,238)
		<u>1,702,992</u>	<u>6,793,225</u>
6.1	This represents advisory fee receivable from customers in connection with advisory services rendered by the Modaraba.		
7. INVESTMENT AGAINST REPURCHASE AGREEMENT			
Investment against repurchase agreement - secured	7.1	48,878,899	48,878,899
Less: current portion of investment		(48,878,899)	(48,878,899)
		<u>-</u>	<u>-</u>
7.1	On January 16, 2018 the Modaraba has entered into an agreement with a shareholder of Bunny's Limited for the purchase of 2,051,150 shares of the investee Company. Concurrently, the Modaraba has entered into a separate agreement with another shareholder of the investee Company for the selling of underlying shares after a period of eighteen months from the date of purchase at an agreed price. The agreement was extended after the maturity of 18 months (July 19, 2019) for 12 months with effective from July 19, 2019 to July 19, 2020. The agreement was further extended after the maturity of 12 months (July 19, 2020) for next 9 months with maturity date of March 19, 2021. The underlying shares have been transferred in the name of the Modaraba. Subsequent to the period end, the arrangement is early settled as on January 11, 2021.		

		(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
8. MUSHARIKA FINANCE	Note		
Musharika finance - secured	8.1	306,666,668	502,706,092
Less: current portion of Musharika Finance		<u>(306,666,668)</u>	<u>(452,380,207)</u>
		<u>-</u>	<u>50,325,885</u>

8.1 The Modaraba has provided Musharika Finance facilities to several customers for various purposes. The agreed share in the purchase of the assets between the Modaraba and the customers ranges from 5.71% to 80.23% (June 30, 2020 : 74.4% to 99%) and 19.77% to 94.29% (June 30, 2020: 1% to 25.6%) respectively. The customers have either transferred the titles of the assets in the name of the Modaraba or the assets are held in trust by Agent, being related party of the Modaraba, appointed in terms of Inter- Creditor and Security Sharing Arrangement Agreement (the agreement) for on behalf of the Modaraba to the extent of its interest defined in the said agreement. The Modaraba has also obtained various securities against these facilities including personal guarantees of sponsors / directors of customers, post dated cheques issued by customers and hypothecation of assets.

8.1.1 These facilities have various maturity dates up to November 15, 2021. These facilities carry profit ranging from 3 months KIBOR plus 1.5% to 3 months KIBOR plus 3.5%.

8.2 Contractual rentals receivable on Musharika Finance facilities:

	December 31, 2020 (Un-audited)				June 30, 2020 (Audited)			
	Due within one year	Due after one year but within five years	Due after five years	Total	Due within one year	Due after one year but within five years	Due after five years	Total
	(Rupees)							
Musharika Finance facilities:								
Principal repayments	306,666,668	-	-	306,666,668	452,380,207	50,325,885	-	502,706,092
Profit	12,637,479	-	-	12,637,479	31,085,468	3,626,926	-	34,712,394
	<u>319,304,147</u>	<u>-</u>	<u>-</u>	<u>319,304,147</u>	<u>483,465,675</u>	<u>53,952,811</u>	<u>-</u>	<u>537,418,486</u>

8.2.1 The above represents rentals receivable by the Modaraba in future periods in respect of Musharika Finance facilities given under long term arrangements.

**For Awwal Modaraba Management Limited
(Modaraba Management Company)**



Chief Financial Officer



Chief Executive Officer



Director



Director

	Note	(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
9. DIMINISHING MUSHARIKA FINANCE			
Diminishing Musharika Finance - secured	9.1 and 9.2	300,000,000	300,000,000
Less: current portion of Diminishing Musharika Finance		(66,666,666)	(33,333,334)
		<u>233,333,334</u>	<u>266,666,666</u>

9.1 The Modaraba has provided Diminishing Musharika Finance Facility for the purpose of financing the construction of housing project. The facility is secured against various collaterals which mainly include transfer of personal properties of sponsors and / or their associates. Further this facility is secured with first pari passu hypothecation charge over the present and future fixed assets, including plant and machinery, land and building, present and future current assets of the housing project, lien on debt collection accounts of the customer and personal guarantees of the Sponsors.

9.2 This include Rs. 200 million outstanding for the purpose of balance sheet re-profiling. This facility is secured against various collaterals which include mortgage over personal properties of sponsors. Further, the facility is also secured with first pari passu hypothecation and mortgage charges over present and future fixed and current assets of the customer, pledge over sponsor shares, personal guarantees of sponsors, sponsor support and lien over collection account.

The above facilities have maturity dates upto April 20, 2026 and carry profit ranging from 3 months KIBOR plus 2.5% to 6 months KIBOR plus spread as per agreed terms.

9.3 Contractual rentals receivable on Diminishing Musharika Finance facilities:

9.3.1 This represents rentals receivable by the Modaraba in future periods in respect of Diminishing Musharika Finance facilities given under long term arrangements.

	December 31, 2020 (Un-audited)				June 30, 2020 (Audited)			
	Due within one year	Due after one year but within five years	Due after five years	Total	Due within one year	Due after one year but within five years	Due after five years	Total
(Rupees)								
Diminishing Musharika Finance facilities								
Principal repayments	66,666,666	216,666,671	16,666,663	300,000,000	33,333,334	233,333,336	33,333,330	300,000,000
Profit	31,986,958	138,689,736	4,472,095	175,148,789	40,416,210	164,684,581	22,368,916	227,469,707
	<u>98,653,624</u>	<u>355,356,407</u>	<u>21,138,758</u>	<u>475,148,789</u>	<u>73,749,544</u>	<u>398,017,917</u>	<u>55,702,246</u>	<u>527,469,707</u>

	(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
10. INTANGIBLE ASSET		
Cost		
Opening balance	8,330,731	8,330,731
Additions	-	-
Disposal	-	-
	<u>8,330,731</u>	<u>8,330,731</u>
Amortisation		
Opening balance	4,524,572	1,769,539
Charge for the period / year	1,318,332	2,755,033
Disposal	-	-
	<u>5,842,904</u>	<u>4,524,572</u>
Net book value	<u>2,487,827</u>	<u>3,806,159</u>
Annual rate of amortisation	<u>33.33%</u>	<u>33.33%</u>

- 10.1 This represents Oracle Database standard edition 2 licenses to meet software application requirements of the Modaraba.

11. OPERATING FIXED ASSETS

	Furniture and Fittings	Office equipment, computer and allied equipment	Motor vehicles	Total
	----- (Rupees) -----			
Cost				
Opening balance as at July 01, 2019	73,725	2,578,430	1,613,740	4,265,895
Additions	-	-	-	-
Disposal	-	-	-	-
Balance as at June 30, 2020 - (Audited)	<u>73,725</u>	<u>2,578,430</u>	<u>1,613,740</u>	<u>4,265,895</u>
Opening balances July 1, 2020	73,725	2,578,430	1,613,740	4,265,895
Additions	-	-	-	-
Disposal	-	-	-	-
Closing balances as at December 31, 2020 - (Un-audited)	<u>73,725</u>	<u>2,578,430</u>	<u>1,613,740</u>	<u>4,265,895</u>
Accumulated depreciation				
Balance as at July 01, 2019	28,631	1,843,470	930,117	2,802,218
Charge for the year	14,748	626,382	363,084	1,004,214
Disposal	-	-	-	-
Balance as at June 30, 2020 - (Audited)	<u>43,379</u>	<u>2,469,852</u>	<u>1,293,201</u>	<u>3,806,432</u>
Balance as at July 01, 2020	43,379	2,469,852	1,293,201	3,806,432
Charge for the period	7,374	59,898	158,807	226,079
Disposal	-	-	-	-
Balance as at December 31, 2020 (Un-audited)	<u>50,753</u>	<u>2,529,750</u>	<u>1,452,008</u>	<u>4,032,511</u>
Net book value as at December 31, 2020 - (Un-audited)	<u>22,972</u>	<u>48,680</u>	<u>161,732</u>	<u>233,384</u>
Net book value as at June 30, 2020 - (Audited)	<u>30,346</u>	<u>108,578</u>	<u>320,539</u>	<u>459,463</u>
Annual Rates of depreciation	<u>20%</u>	<u>33% - 50%</u>	<u>25%</u>	

		(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
12. ACCRUED EXPENSES			
Audit remuneration payable		269,946	387,828
Bonus, leave fare allowance and other staff accrual		7,524,474	4,264,806
Sindh sales tax payable		407,057	679
Provision for Workers' Welfare Fund	12.1	7,556,272	7,002,641
Advances from customers	12.2	5,987,120	3,169,207
Others		118,124	76,615
		<u>21,862,993</u>	<u>14,901,776</u>

- 12.1 The Sindh Workers' Welfare Fund Act, 2014 ('the Act') became effective from May 21, 2015 and is applicable on the Modaraba due to which Modaraba is liable to pay contribution to Workers' Welfare Fund (WWF) at the higher of the profit before taxation as per the financial statements or taxable income as provided in its income tax return. However, the Modaraba has filed a petition challenging the vires of Section 5 of the Act in the Sindh High Court ('the Court'). Similar petitions have been filed by other Modarabas and obtained an interim injunction from the Court. An interim injunction has been granted by the Court and the matter is tagged with other similar petitions filed with the Court. In compliance of the order dated March 16, 2020, passed by the Honourable High Court of Sindh in SWWF petitions including our petition bearing number CP.D.3867/2017, the Modaraba has deposited in Sindh Workers' Welfare Fund (SWWF) amounting to Rs. 4.85 million in Sindh Workers' Welfare Fund (G-06313) for the years ending 2016 - 2019.
- 12.2 This represents advances from customers against the advisory services to be rendered by the Modaraba.

13. DEFERRED LIABILITY

Present value of defined benefit obligation	<u>-</u>	<u>7,280,767</u>
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13.1 Defined benefit plan - gratuity

The Modaraba operates a funded scheme to provide gratuity to the permanent employees on retirement. The latest actuarial valuation of this scheme was carried out as at June 30, 2020 using the Projected Unit Credit Method by an independent actuary. Gratuity is payable to the employees in case of death, retirement or resignation, excluding dismissal due to disciplinary issues. Normal retirement age is 60 years. As at June 30, 2020, 4 employees were covered under the scheme.

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

- 13.2 The weighted average duration period of the defined benefit obligation is 9.5 years.
- 13.3 Based on actuarial report, charge for the year ending June 30, 2021 amounts to Rs. 1.467 million.

14. PAYABLE TO RELATED PARTIES

- 14.1 This includes payable to the Modaraba Management Company in respect of management remuneration. The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under provisions of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 up to a maximum of 10% per annum of the net annual profit of the Modaraba.

Management records accrual in respect of remuneration of the Management Company out of the net annual profit of the Modaraba on the basis of annual audited accounts provided that 90% of the profit available for appropriation is also distributed to the certificate holders of the Modaraba after setting aside out of the profit of the Modaraba such sums as it thinks proper as reserve in accordance with the regulatory framework applicable for Modaraba. Therefore, no Management Company's remuneration has been accrued in these condensed interim financial statements.

- 14.2 The Sindh Revenue Board (SRB) has imposed Sindh Sales Tax (SST) on the Modaraba Management Company's remuneration with effect from November 01, 2011. However, certain Modaraba Management Companies have approached the Honourable Sindh High Court (the Court) and Appellate Tribunal of SRB, challenging the levy of SST on Management Company's remuneration. The Modaraba Management Company has not received any demand notice from SRB for payment of SST on Management Company's remuneration and accordingly, based on legal advisor's opinion, can neither file any petition challenging the levy of SST on Management Company's remuneration nor can join the proceedings of pending petition in the Court. As a matter of abundant caution, the Modaraba is accruing SST on Management Company's remuneration and will discharge the liability on direction of the court based on outcome of the petition filed by other Modaraba Management Companies.

15. CERTIFICATE CAPITAL

Authorised certificate capital

December 31, 2020 (Un-audited)	June 30, 2020 (Audited)		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
Number of certificates				
100,000,000	100,000,000	Modaraba certificates of Rs. 10 each	1,000,000,000	1,000,000,000

Issued, subscribed and paid-up certificate capital

100,000,000	100,000,000		1,000,000,000	1,000,000,000
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- 15.1 As at December 31, 2020, the Management Company and Pak Brunei Investment Company Limited held 10 million (June 30, 2020: 10 million) and 89.780 million (June 30, 2020: 89.780 million) certificates of Rs. 10 each respectively.

16. STATUTORY RESERVE

Statutory reserves represent profits set aside by the Modaraba to comply with the Prudential Regulations issued by the Securities and Exchange Commission of Pakistan. These regulations require the Modaraba to transfer not less than 20% and not more than 50% of its after tax profit till such time that reserves equal 100% of the paid up capital. Thereafter, a sum not less than 5% of the after tax profit is to be transferred.

During the period, the Modaraba has transferred an amount of Rs. 5.43 million (2019: Rs. 13.84 million) which represents 20% (2019: 20%) of the profit after taxation for the period.

17. CONTINGENCIES AND COMMITMENTS

Details of contingencies regarding Services Sales Tax on Management Company's remuneration and Provision for Sindh Workers' Welfare Fund are disclosed in notes 14.2 and 12.1 . There are no other contingencies and commitments as at December 31, 2020.

18. TAXATION

- 18.1 As per Clause 100 of Second Schedule to the Income Tax Ordinance, 2001, the income of a non trading Modaraba is exempt from income tax provided that they distribute not less than 90% profit to certificate holders out of current year's total profit after making appropriation for statutory reserves. The Modaraba intends to continue to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation to statutory reserves for the year ended June 30, 2021. Accordingly, no provision in respect of current and deferred taxation has been made in these condensed interim financial statements.

19. EARNINGS PER CERTIFICATE - BASIC AND DILUTED

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Un-audited)			
	(Rupees)			
Basic				
Profit for the period after taxation	<u>27,127,849</u>	<u>69,205,826</u>	<u>14,690,277</u>	<u>30,659,969</u>
	(Number)			
Weighted average number of certificates outstanding during the period	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
	(Rupee)			
Earnings per certificate	<u>0.27</u>	<u>0.69</u>	<u>0.15</u>	<u>0.31</u>

Diluted

Diluted earnings per certificate has not been presented as the Modaraba does not have any convertible instruments in issue as at reporting date which would have any effect on the earnings per certificate if the option to convert is exercised.

20. CAPITAL MANAGEMENT

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

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

The Modaraba is not subject to externally imposed capital requirements.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Modaraba determine fair values using valuation techniques unless the fair value cannot be reliably measured.

For assets that are recognised in the financial statements at fair value on a recurring basis, the Modaraba recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The table below shows the carrying amounts and fair values of a financial asset and financial liability including their fair value hierarchy for financial instruments measured at fair value. It does not include the fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

Carrying Amount			Total
----- As at December 31, 2020 (Un-audited) -----			
Fair value through other comprehensive income	Fair value through profit or loss	Amortized cost	
----- Rupees in '000 -----			

Financial assets at amortized cost

Bank balances	-	-	179,881,407	179,881,407
Modaraba Term Deposit	-	-	200,000,000	200,000,000
Accruals and other receivables	-	-	84,567,211	84,567,211
Receivable against advisory fee	-	-	38,982,257	38,982,257
Investment against repurchase agreement	-	-	-	-
Musharika Finance	-	-	48,878,899	48,878,899
Diminishing Musharika Finance	-	-	306,666,668	306,666,668
Long term loans	-	-	300,000,000	300,000,000
Long term deposit	-	-	4,743,037	4,743,037
	-	-	75,000	75,000
	-	-	1,163,794,479	1,163,794,479

Financial liabilities at amortized cost

Accrued expenses	-	-	13,899,664	13,899,664
Payable to related parties	-	-	9,880,268	9,880,268
	-	-	23,779,932	23,779,932

Carrying Amount			Total
----- As at June 30, 2020 (audited) -----			
Fair value through other comprehensive income	Fair value through profit or loss	Amortized cost	
----- Rupees in '000 -----			

Financial assets measured at amortized cost

Bank balances	-	-	259,908,801	259,908,801
Modaraba Term Deposit	-	-	-	-
Accruals and other receivables	-	-	70,415,310	70,415,310
Receivable against advisory fee	-	-	41,697,463	41,697,463
Investment against repurchase agreement	-	-	-	-
Musharika Finance	-	-	48,878,899	48,878,899
Diminishing Musharika Finance	-	-	502,706,092	502,706,092
Long term loans	-	-	300,000,000	300,000,000
Long term deposit	-	-	4,559,727	4,559,727
	-	-	75,000	75,000
	-	-	1,228,241,292	1,228,241,292

Financial assets measured at amortized cost

Accrued expenses	-	-	7,898,456	7,898,456
Payable to related parties	-	-	21,851,692	21,851,692
	-	-	29,750,148	29,750,148

For financial assets and financial liabilities not measured at fair value, management consider that their carrying amounts approximate fair value because of their short term nature and credit quality of counterparties. For Investment against repurchase agreement, Musharika Finance and Diminishing Musharika Finance, management considers that their carrying amount approximate fair value as the transaction is entered in to at negotiated rate considering market prevailing rates and also assessing credit standings of counterparties.

22. RELATED PARTY TRANSACTIONS

The related parties of the Modaraba comprise of the Management Company and its Holding Company, other associated companies, staff retirement funds, Directors and Key Management Personnel. Transactions with related parties are carried out at agreed rates.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Modaraba considers its Chief Financial Officer and business heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement. Details of certificate holding of Holding Company, Management Company, Directors, Key Management Personnel and their family members are disclosed in pattern of certificate holding included in the annual report of the Modaraba.

Transactions and balances with related parties during the period other than those disclosed elsewhere in these condensed interim financial statements are given below:

	(Un-audited) December 31, 2020 Rupees	(Un-audited) December 31, 2019 Rupees
22.1 Details of the transactions with related parties		
Pak Brunei Investment Company Limited - Holding Company of the Management Company		
Modaraba Term Deposit	<u>200,000,000</u>	<u>-</u>
Profit earned from Modaraba Term Deposit during the period	<u>5,983,561</u>	<u>12,098,630</u>
Shared service expense	<u>4,756,218</u>	<u>4,756,218</u>
Other expenses	<u>297,534</u>	<u>287,006</u>
Awwal Modaraba Management Limited - Management Company		
Payment of Management Company's remuneration during the period	<u>11,808,475</u>	<u>14,479,310</u>
22.2 Amounts outstanding as at period / year end		
Pak Brunei Investment Company Limited - Holding company of the Management company		
Payable in respect shared services	<u>1,163,955</u>	<u>1,326,904</u>
Receivable in respect Diminishing Musharika	<u>11,870,234</u>	<u>-</u>
Modaraba Term Deposit	<u>200,000,000</u>	<u>-</u>
Receivable balance in respect of Modaraba Term Deposit - Profit Accrued	<u>5,983,561</u>	<u>-</u>

	(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
Awwal Modaraba Management Limited - Management Company		
Receivable balance against payments made on behalf of the Management Company	<u>-</u>	<u>-</u>
Payable balance against Management Company's remuneration - net	<u>8,716,313</u>	<u>20,524,788</u>
Staff retirement benefits funds		
Contribution payable to staff provident fund	<u>-</u>	<u>-</u>
Contribution payable to staff gratuity fund	<u>-</u>	<u>7,280,767</u>

23. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation.

There were no major reclassifications in these condensed interim financial statements in the current period.

24. DATE OF AUTHORISATION

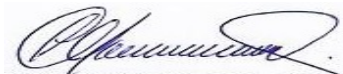
These condensed interim financial statements were authorised for issue on February 23, 2021 by the Board of Directors of the Management Company.

25. GENERAL

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

25.2 On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organization declared the COVID-19 outbreak “Public Health Emergency of International Concern”. Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is difficult to predict at this stage. As of the release date of these condensed interim financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Modaraba's financial condition or results of operations.

**For Awwal Modaraba Management Limited
(Modaraba Management Company)**



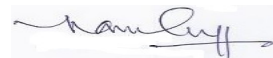
Chief Financial Officer



Chief Executive Officer



Director



Director

AWWAL MODARABA

Awwal Modaraba

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**HALF YEARLY
REPORT
December , 2020**