



Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (Private) Limited.

QUARTERLY **REPORT**

30th SEPTEMBER, 2021

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CORPORATE INFORMATION

Modaraba Company

Al-Zamin Modaraba Management (Private) Limited

Board of Directors

Mr. Mian Sheikh Arshad Farooq	Chairman
Mr. Basheer Ahmed Chowdry	Chief Executive
Mr. Syed Shahnawaz Ahmed Rizvi	Director
Mr. Syed Etrat Hussain Rizvi	Director
Mr. Mohammad Yasin	Director
Mr. Sohail Ansar	Director
Dr. Mrs. Namoos Baquar	Director

Management

Mr. Basheer Ahmed Chowdry	Chief Executive
Ms. Hamida Aqeel	Chief Operating Officer/Company Secretary
Mr. Ijaz Ahmed Khan	Chief Financial Officer/Regional Head

Audit Committee

Mr. Syed Shahnawaz Ahmed Rizvi	Chairman
Mr. Mian Sheikh Arshad Farooq	Member
Mr. Syed Etrat Hussain Rizvi	Member
Mr. Sohail Ansar	Member

Human Resource Committee

Mr. Syed Etrat Hussain Rizvi	Chairman
Mr. Syed Shahnawaz Ahmed Rizvi	Member
Mr. Basheer Ahmed Chowdry	Member
Mr. Muhammad Yasin	Member

Internal Auditors

UHY Hassan Naeem & Co.
Chartered Accountants

Auditors of the Modaraba

Grant Thornton Anjum Rahman.
Chartered Accountants

Bankers

Meezan Bank Limited
The Bank of Punjab

Legal Advisors

Salim & Baig, Advocate
Holscott International
S&B Durrani Law Associates
Sameera Usto & Associates

Registered Office/Principal Place of Business

104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi-75600
Telephone: 021-35876651, 35876652
Fax: 021-35870408 Web: trustmodaraba.com
Email: info@trustmodaraba.com

Regional Office

301 & 320, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore
Telephone: 042-35941957-8 Fax: 042 35866513

Registrars

Hameed Majeed Associates (Private) Limited
1st Floor, H.M. House, 7-Bank Square, Lahore Telephone: 042- 37235081-2 Fax: 042-37358817

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 30TH SEPTEMBER, 2021

The Board of Directors of Al-Zamin Modaraba Management (Private) Limited, the Management Company of Trust Modaraba, is pleased to present the Directors' Report together with the unaudited financial statements of the Modaraba for the quarter ended 30th September, 2021.

FINANCIAL HIGHLIGHTS

Financial results are summarized as under:

Balance Sheet

	Sept 30 th 2021-22	June 30 th 2020-21
	-----Rupees-----	
Paid-up Capital	298,000,000	298,000,000
Total Equity	331,922,148	318,340,162
Total Assets	404,547,036	378,810,319
Total Liabilities	76,625,874	63,198,583

Profit & Loss

	Sept 30 th 2021-22	Sept 30 th 2020-21
Total Revenue	48,697,753	8,985,986
Operating Expense	11,740,657	7,598,193
Provisions	10,110,482	---
Unrealized gain/(loss)	(7,808,056)	2,203,959
Profit before Management Fee & Tax	18,719,459	3,591,752
Net Profit for the period	13,581,986	3,154,425
Earning per certificate	0.46	0.11

PERFORMANCE REVIEW

It is encouraging to report that the performance of your Modaraba during the period under review remained strong despite the adverse impact of pandemic causing challenges to growth and business opportunities. Trust Modaraba achieved net profit (after tax and management fee) of Rs.13.58 million which is substantially higher as compared to the net profit of Rs.3.15 million recorded for the corresponding period of the previous year. The hallmark of performance during the period under review had been the recovery of long outstanding receivable Rs.50.0 million from litigated portfolio which provided much needed addition to the financial resources to your Modaraba. Revenue from core business operations (Ijarah, Murabahah & Musharaka) of your Modaraba stood at Rs.10.23 million for the quarter under review as compared to Rs.5.36 million of the previous comparable quarter registering an increase of over 90%. Total Revenue was recorded at Rs.48.70 million which included one time gain of Rs.37.65 million achieved in settlement of a long outstanding receivable. Performance of stock market during the period remained depressed as a result of which unrealized loss of Rs.7.81 million has to be recorded in the accounts due to depreciation in the market value of the shares. As a prudent portfolio management policy, an amount of Rs.10.11 million has been provided during the period against certain accounts classified in either doubtful or loss category. Operating expenses stood at Rs.11.741 million as compared to Rs.7.60 million for the preceding comparable quarter. As a result of certain measures adopted by your Management, further efficiencies in operating costs are expected during the forthcoming period. On the business side, your Modaraba booked fresh disbursements of Rs.52 million to a mix of clientele comprising of medium sized corporates and SME Sector. Balance Sheet footings of your Modaraba increased to Rs.405 million as at 30th September, 2021 from Rs.379 million recorded at 30th June, 2021. Total Equity of the Modaraba stood at Rs.332 million with an EPC of Rs.0.46.


Your Management is committed to achieve further growth and profitability of the Modaraba and shall remain prudent for its investment strategy on all segments of business portfolio.

Acknowledgements

The Board wishes to place on record its appreciation to Registrar Modaraba, SECP for their valuable guidance and support and also to the Certificate holders for their continued trust and confidence in the Management and Board of Trust Modaraba.

26th October, 2021.

For and on behalf of Trust Modaraba



DIRECTOR



CHIEF EXECUTIVE

ڈائریکٹر کی رپورٹ

30 ستمبر 2021 کو اختتام پذیر مدت کے لیے

ٹرسٹ مضاربہ کی مینجمنٹ، یعنی، الضامن مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز (بورڈ کے اراکین)، کی جانب سے 30 ستمبر 2021 کو اختتام پذیر مدت کی ڈائریکٹر رپورٹ کے ساتھ غیر منتخب شدہ مالیاتی و نتائجات پیش کرتے ہیں۔

مالیاتی جھلکیاں

مالی نتائج کا خلاصہ درج ذیل ہے:

--- روپے ---		
30 ستمبر 2020-21	30 ستمبر 2021-22	بیلنس شیٹ
298,000,000	298,000,000	اداشدہ سرمایہ
318,340,162	331,922,148	کل ملکیتی سرمایہ
378,810,319	404,547,036	کل اثاثہ جات
63,198,583	76,625,874	کل مالی ذمہ داریاں
30 ستمبر 2020-21	30 ستمبر 2021-22	نفع اور نقصان
8,985,986	48,697,753	کل مالگداری (Revenue)
7,598,193	11,740,657	آپریٹنگ اخراجات
---	10,110,482	مختصات (Provisions)
2,203,959	(7,808,056)	غیر حقیقی (Unrealized) نفع / (نقصان)
3,591,752	18,719,459	منافع قبل از مینجمنٹ فیس اور محصول
3,154,425	13,581,986	مدت کا خالص منافع
0.11	0.46	آمدنی فی سرٹیفکیٹ

کارکردگی کا جائزہ

عالمی وبا، جس نے کاروباری نمو اور مواقعوں کے مسائل کے ناموافق اثرات کے باوجود، یہ بات حوصلہ افزا ہے کہ، زیر جائزہ مدت میں، آپ کے مضاربہ کارکردگی مستحکم رہی۔ ٹرسٹ مضاربہ نے 13.58 ملین روپے کا خالص منافع (بعد از محصول اور مینجمنٹ فیس) کمایا جو گذشتہ مالی مدت کی 3.15 ملین روپے کے خالص منافع سے کافی زیادہ ہے۔ زیر جائزہ مدت میں کارکردگی کی توثیق 50 ملین روپے کی بقایا جات کی مقدمہ بازی کی شکار دیرینہ ادائیگی کی وصولیابی سے ہو چکی ہے جس نے آپ کے مضاربہ کے مالی وسائل میں ایک اچھا اضافہ ہوا۔ زیر غور سہ ماہی میں، آپ مضاربہ کے بنیادی کاروبار کے آپریٹرز (اجارہ، مراکز اور مشارک) سے 10.23 ملین روپے کی مالگداری (Revenue) حاصل کی جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت میں اس کی مالیت 5.36 ملین روپے تھی جس میں 90 لکھ روپے سے زیادہ کاندراںج دکھارہا ہے۔ کل مالگداری 48.70 ملین روپے رہی جس میں دیرینہ قابل وصولی بقایا جات کے تصفیے سے ایک مرتبہ حاصل ہونے والی 37.65 ملین روپے کی رقم بھی شامل ہے۔ اس مدت میں حصص منڈی، ہاؤسنگ کارپوریشن، جس وجہ سے حصص کی منڈی میں حصص کی قدر میں کمی کے سبب کھاتوں میں 7.81 ملین روپے کا غیر حقیقی نقصان کاندراںج کرنا پڑا۔ محفوظ پورٹ فولیو مینجمنٹ پالیسی پر عمل کرتے ہوئے، چند اکاؤنٹس جن کی درجہ بندی مشکوک یا نقصان دینے والے اکاؤنٹس کی کیپیٹری میں ہے ان کے سلسلے میں 10.11 ملین روپے فراہم کیے گئے ہیں۔ آپریٹنگ اخراجات 11.74 ملین روپے رہے جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت میں ان کی مالیت 7.60 ملین روپے تھی۔ آپ کی انتظامیہ کے چند اقدامات پر عمل کرنے کے سبب، توقع ہے کہ آنے والی مدت میں آپریٹنگ لاگت میں بہتری آئے گی۔ کاروبار کے سلسلے میں، آپ کے مضاربہ طے ملے گاؤں، جو درمیانے سائز کے اداروں اور SME سیکٹر پر مشتمل ہے، کو 52 ملین کے قرضہ کی فراہمی کی ہے۔ آپ کے مضاربہ کی بیلنس شیٹ 30 جون 2021 کی مالیت 379 ملین روپے سے مزید 30 ستمبر 2021 میں 405 ملین روپے ہو گئی۔ مضاربہ کا کل ملکیتی سرمایہ 332 ملین روپے کے ساتھ آمدنی فی سرٹیفکیٹ 0.46 روپے رہی۔

آپ کا مضاربہ، مزید نمو اور منافع بخشی حاصل کرنے کے لیے، پر عزم ہے اور اپنے تمام کاروباری پورٹ فولیو کے تمام سیگمنٹ میں اپنی سرمایہ کاری کی حکمت عملی میں محتاط رہے گا۔

اعتراف

بورڈ خواہش مند ہے کہ رجسٹرڈ مضاربہ، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ان کا ان کی حیثیت اور رہنمائی کرنے پر ان کا شکریہ اور سرٹیفکیٹ کنندگان کا ان کے ٹرسٹ مضاربہ کے بورڈ اور انتظامیہ پر مسلسل اعتماد اور بھروسہ کرنے کے عمل کو یکاڈرڈ پر لانا چاہتا ہے۔

برائے بورڈ آف ڈائریکٹرز کے جانب سے

چیف ایگزیکٹو

ڈائریکٹر

کرچی، 26 اکتوبر 2021

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2021

		(Un-audited) September 30 2021	(Audited) June 30 2021
	Note	Rupees-----	
ASSETS			
Current Assets			
Cash and bank balances		10,082,981	5,394,699
Short term investments	4	36,354,838	26,057,529
Advances, deposits, prepayments and other receivables	5	13,817,843	23,568,097
Short term murabaha finances	6	43,484,916	41,750,837
Current portion of long term murabaha finances		71,924,694	77,841,930
Ijarah rental receivables		8,309,098	16,549,899
Short term musharakah finances (secured - considered good)		29,370,500	26,792,292
Current portion of long term diminishing musharakah finances		678,151	651,731
Tax refunds due from the Government		4,840,876	4,777,383
Stock in trade		110,462	429,561
Total Current Assets		218,974,359	223,813,958
Non-Current Assets			
Long term murabaha finances	7	16,045,016	13,175,768
Long term diminishing musharakah finances		113,325	241,302
Long term deposits		935,362	707,962
Long term investments	8	9,242,457	10,515,018
Investment property		22,274,000	22,274,000
Fixed assets	9	136,962,517	108,082,311
Total Non-Current Assets		185,572,677	154,996,361
Total Assets		404,547,036	378,810,319
LIABILITIES			
Current Liabilities			
Current portion of customers' security deposits		10,086,215	8,330,765
Current portion of deferred income on murabaha		5,448,295	5,143,468
Unclaimed dividends		12,888,951	12,889,720
Creditors, accrued and other liabilities	10	8,666,490	3,742,653
Total Current Liabilities		37,089,951	30,106,606
Non-Current Liabilities			
Deferred income on murabaha		2,311,792	1,746,246
Customers' security deposits		37,224,131	31,345,731
Total Non-Current Liabilities		39,535,923	33,091,977
Total Liabilities		76,625,874	63,198,583
NET ASSETS		327,921,162	315,611,736
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital		298,000,000	298,000,000
Reserves		33,922,148	20,340,162
Total Equity		331,922,148	318,340,162
Unrealized loss on revaluation of investments	11	(4,000,986)	(2,728,426)
		327,921,162	315,611,736
Contingencies and commitments	12	-	-

The annexed notes from 1 to 21 form an integral part of these financial statements.

For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

		(Un-audited)	
		September 2021	September 2020
	Note	Rupees-----	
Income from ijarah	13	5,365,645	1,847,545
Profit on murabaha finances		3,006,115	2,019,378
Profit on musharakah finances		1,854,784	1,488,728
Income from investments - net		820,547	3,512,299
Other income	14	37,650,662	118,036
		48,697,753	8,985,986
(Provision) / Reversal of provision against assets		(10,110,482)	-
Bad Debts Written off		(319,099)	-
Unrealized gain/(loss) on revaluation of held-for-trading investments		(7,808,056)	2,203,959
		29,706,366	11,189,945
Operating expenses	15	(11,740,657)	(7,598,193)
		18,719,459	3,591,752
Modaraba Management Company's fee		(1,871,946)	(359,175)
Profit before Taxation		16,847,513	3,232,577
Sindh Worker Welfare Fund		(336,950)	(64,652)
Taxation		(2,928,577)	(13,500)
Net Profit for the period		<u>13,581,986</u>	<u>3,154,425</u>
Earnings per Certificate - Basic and Diluted	16	<u>0.46</u>	<u>0.11</u>

The annexed notes from 1 to 21 form an integral part of these financial statements.

For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

		(Un-audited)	
	Note	September 2021	September 2020
		-----Rupees-----	
Net Profit for the period		13,581,986	3,154,425
Other Comprehensive Income:			
- Net change in fair value of investments classified as fair value through other comprehensive income/(loss)	11.1	(1,272,560)	1,996,272
Other comprehensive income/(loss) for the period		(1,272,560)	1,996,272
Total Comprehensive Income/(loss) for the period		<u>12,309,426</u>	<u>5,150,697</u>

The annexed notes from 1 to 21 form an integral part of these financial statements.

For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

		(Un-audited)	
		September 2021	September 2020
	Note	Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(used) operations			
Cash generated from operations	17	50,140,311	(883,497)
<i>Decrease / (increase) in non-current assets:</i>			
- Long term murabaha finances		3,047,988	4,170,445
- Long term musharakah finances		101,557	129,094
<i>Increase / (decrease) in non-current liabilities:</i>			
- Deferred income on murabaha		870,373	(467,870)
- Customers security deposits		8,576,600	3,085,872
Purchase of ijarah assets		(37,181,500)	(7,360,000)
Proceeds from disposal of ijarah assets		143,365	168,000
Income tax paid / deducted		(2,992,070)	(46,376)
Net Cash (Used in) / Generated from Operating Activities		22,706,624	(1,204,332)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of owned assets		(408,800)	(376,900)
Proceeds from disposal of owned assets		13,000	9,000
(Purchase) / sale of investments - net		(18,156,773)	(1,467,844)
Long term deposits		-	186,900
Dividends received		535,000	90,000
Net Cash Generated from Investing Activities		(18,017,573)	(1,558,844)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment made against lease liability		-	(108,405)
Profit distributed to certificate holders		(769)	-
Net Cash Used in Financing Activities		(769)	(108,405)
Net (Decrease) / Increase in Cash and Cash Equivalents		4,688,282	(2,871,581)
Cash and cash equivalents at the beginning of the period		5,394,699	8,093,386
Cash and Cash Equivalents at the End of the period		10,082,981	5,221,805

The annexed notes from 1 to 21 form an integral part of these financial statements.

For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Particulars	Certificate Capital	Statutory Reserve	Surplus on Revaluation of Fixed Assets	Revenue Reserves		Total Reserves	Total Equity
				Unrealized loss on revaluation of Investments	Accumulated loss		
				Rupees:			
Balance as at June 30, 2020- as restated	298,000,000	80,191,484	2,457,200	-	(68,915,088)	13,733,596	311,733,596
Balance as at June 30, 2020- as previous reported	298,000,000	80,191,484	2,457,200	(4,867,878)	(68,915,088)	8,865,718	306,865,718
Impact of restatement (Note -5)	-	-	-	4,867,878	-	4,867,878	4,867,878
Balance as at June 30, 2020- as restated	298,000,000	80,191,484	2,457,200	-	(68,915,088)	13,733,596	311,733,596
Profit for the period	-	-	-	-	3,154,425	3,154,425	3,154,425
Total comprehensive (loss)/income for the period	-	-	-	1,996,272	-	1,996,272	1,996,272
Balance as at September 30, 2020-as previous reported	298,000,000	80,191,484	2,457,200	(2,871,606)	(65,760,663)	14,016,415	312,016,415
Balance as at September 30, 2020-as restated	298,000,000	80,191,484	2,457,200	-	(65,760,663)	16,888,021	314,888,021
Balance as at July 01, 2021	298,000,000	81,512,797	2,457,200	-	(63,629,835)	20,340,162	318,340,162
Profit for the period	-	-	-	-	13,581,986	13,581,986	13,581,986
Total comprehensive income for the period	-	-	-	-	-	-	-
Balance as at September 30, 2021	298,000,000	81,512,797	2,457,200	-	(50,047,849)	33,922,148	331,922,148

The annexed notes from 1 to 21 form an integral part of these financial statements.

For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1. Legal Status and Nature of Business

Trust Modaraba (the Modaraba) was formed in Pakistan under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and is being managed by Al-Zamin Modaraba Management (Private) Limited (AZMML). The Modaraba commenced its business operations on November 12, 1991. It is listed on Pakistan Stock Exchange.

The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharakahs, Ijarah, investment in marketable securities, trading and other permissible businesses. The principal place of business and registered office is located at 104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi - 75600 while regional office is located at 301-320, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore.

2. Basis of Preparation

This interim condensed financial information is unaudited and is being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting". This should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2021.

3. Significant Accounting Policies

The Company's accounting and financial risk management policies and methods of computation of this condensed interim financial information are the same as those followed in the preparation of annual published financial statements for the year ended June 30, 2021.

		(Un-audited) September 30 2021	(Audited) June 30 2021
	Note	-----Rupees-----	
4. Short Term Investments			
Financial assets at fair value through profit and loss - Held for trading			
NIT Islamic Unit Fund		489,142	540,868
Shares of listed companies	4.1	35,865,696	25,516,661
		36,354,838	26,057,529

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

4.1 Shares of listed companies

Unless otherwise stated, the holdings are in fully paid ordinary shares of Rs. 10 each.

Number of shares		Name of Investee	September 30, 2021		June 30, 2021	
Sep-21	Jun-21		Average Cost	Market Value	Average Cost	Market Value
-----Rupees-----						
9,000	3,000	Attock Refinery Limited	2,070,446	1,609,020	786,867	769,350
80,000	80,000	Fauji Cement Company Limited	2,173,016	1,436,000	2,173,016	1,840,000
24,500	10,000	D.G. Khan Cement Company Limited	2,806,314	2,166,290	1,267,186	1,179,200
90,000	90,000	Byco Petroleum Pakistan Limited	1,521,156	736,200	1,521,156	1,044,900
120,000	120,000	Hascol Petroleum Limited	1,622,511	777,600	1,622,511	1,071,600
35,000	35,000	Pakistan Petroleum Limited	3,324,124	2,621,850	3,324,124	3,039,050
37,000	33,000	Shell Pakistan Limited	7,464,557	5,008,320	6,883,339	5,781,600
25,000	20,000	Sui Southern Gas Company Limited	346,570	273,250	279,856	266,000
5,154	5,154	Dawood Hercules Corporation Limited	686,386	530,862	686,386	592,813
18,500	18,500	Descon Oxychem Limited	615,106	383,320	615,106	496,540
-	1,000	Meezan Bank Limited	-	-	111,991	115,410
30,000	30,000	Nishat Mills Limited	3,151,994	2,725,800	3,151,994	2,799,000
10,500	3,000	National Refinery Limited	4,749,759	3,180,030	1,605,303	1,569,570
13,000	6,500	Netsol Technologies Limited	2,114,163	1,623,440	1,169,556	1,104,870
23,000	18,000	Oil & Gas Development Company	2,311,883	1,927,400	1,838,561	1,710,540
25,000	25,000	Pakistan Telecommunication Company Limited	338,570	234,000	338,570	296,000
Balances carried down			35,296,555	25,233,382	27,375,522	23,676,443

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

4.2 Shares of listed companies

Number of shares		Name of Investee	September 30, 2021		June 30, 2021	
Sep-21	Jun-21		Average Cost	Market Value	Average Cost	Market Value
			-----Rupees-----			
Balances brought down			35,296,555	25,233,382	27,375,522	23,676,443
35,000	30,000	Unity Foods Ltd	1,600,310	1,092,700	1,385,967	1,335,588
-	3,000	Sazgar Engineering Works Limited	-	-	532,946	504,630
4,000	-	Pakistan Oil Fields Ltd	1,532,412	1,501,400	-	-
10,500	-	Avancion Limited	1,329,223	1,295,280	-	-
13,000	-	Century Paper & Board Limited	1,282,273	974,090	-	-
5,000	-	Engro Fertilizer	380,196	351,400	-	-
10,000	-	Engro Ploymer & Chemical Limited	626,592	550,700	-	-
12,500	-	The Hub Power Company Limited	982,742	919,125	-	-
4,000	-	Pakistan State Oil	855,236	803,960	-	-
3,000	-	Frieslandcampins Engro Foods Limited (formerly Engro Foods Limited)	344,626	292,770	-	-
3,000	-	Lucky Cement Limited	2,464,781	2,168,700	-	-
15,000	-	Sui Northern Gas Pipelines Limited	704,853	682,189	-	-
					-	-
			47,399,799	35,865,696	29,294,435	25,516,661

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

		(Un-audited) September 30 2021	(Audited) June 30 2021
	Note	-----Rupees-----	
5. Advances, Deposits, Prepayments and Other Receivables			
Loans to / receivable from employees - considered good		223,004	302,502
Current portion of long term deposits		-	227,400
Prepayments		2,417,874	4,437,498
Accrued profit (secured -considered good)		2,736,717	1,019,939
Advances to supplier (considered good)		2,967,500	5,030,500
Trade receivables (secured -considered good)	5.1	2,364,702	7,964,773
Legal suits' charges receivable (secured -considered good)	5.2	1,737,452	2,808,702
Sundry receivables (unsecured -considered good)	5.3	1,370,594	1,776,783
		13,817,843	23,568,097
5.1 Trade receivables			
Gross amount		8,064,773	8,431,038
Allowance for expected credit losses		(5,700,071)	(466,265)
		2,364,702	7,964,773
5.2 Legal suits' charges receivable			
Gross amount		1,960,852	3,465,652
Allowance for expected credit losses		(223,400)	(656,950)
		1,737,452	2,808,702
5.3 Sundry receivables			
Gross amount		1,370,594	1,776,783
		1,370,594	1,776,783
6 Short Term Murabaha Finances - Secured			
Considered Good		15,216,308	10,471,818
Considered doubtful			
- Regular parties		-	4,036,596
- Parties under litigation		39,679,019	35,642,423
		39,679,019	39,679,019
Provision for doubtful receivables		(11,410,411)	(8,400,000)
		43,484,916	41,750,837
7 Long Term Murabaha Finances - Secured			
Considered good		52,656,360	53,314,776
Considered doubtful		39,873,509	40,763,081
Provision for doubtful long term murabaha finances		(4,560,159)	(3,060,159)
		87,969,710	91,017,698
Less: Current portion		(71,924,694)	(77,841,930)
		16,045,016	13,175,768

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

8 Long Term Investments

Long Term Investment at Fair Value through OCI

Shares of Listed Companies

Unless otherwise stated, the holdings are in fully paid ordinary shares of Rs. 10 each.

Number of shares		Name of Investee	September 30, 2021		June 30, 2021	
Sep-21	Jun-21		Average Cost	Market Value	Average Cost	Market Value
-----Rupees-----						
90,000	90,000	Sui Northern Gas Pipelines Limited	5,806,704	4,093,200	5,806,704	4,372,200
15,000	15,000	The Searle Company Limited	4,482,832	3,022,650	4,482,840	3,639,307
75,000	75,000	Pakistan Telecommunication Company Limited	1,029,049	702,000	1,029,049	888,000
17,000	17,000	Oil & Gas Development Company	1,924,858	1,424,607	1,924,850	1,615,510
			<u>13,243,443</u>	<u>9,242,457</u>	<u>13,243,443</u>	<u>10,515,017</u>

			(Un-audited) September 30 2021	(Audited) June 30 2021
		Note	-----Rupees-----	
9.	Fixed Assets			
	Operating fixed assets given on lease (ijarah) - tangible	9.1	123,571,495	94,956,022
	Operating fixed assets in own use - tangible	9.2	13,391,022	13,126,289
			<u>136,962,517</u>	<u>108,082,311</u>
9.1	Operating assets given on Ijarah			
	Opening written down value		94,956,022	87,935,874
	Additions during the period / year		37,181,500	48,755,681
	Disposals during the period / year		(1,046,713)	(14,643,798)
			131,090,809	122,047,757
	Depreciation charge for the period / year		(7,519,314)	(27,091,735)
			<u>123,571,495</u>	<u>94,956,022</u>
9.2	Fixed assets in own use			
	Opening written down value		13,126,289	11,971,304
	Additions during the period / year		408,800	1,677,624
	Disposals during the period / year		-	(78,669)
			13,535,089	13,570,259
	Depreciation charge for the period / year		(144,067)	(443,970)
			<u>13,391,022</u>	<u>13,126,289</u>

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

		(Un-audited) September 30 2021	(Audited) June 30 2021
	Note		Rupees
10. Creditors, Accrued and Other Liabilities			
Payable to Modaraba Management Company	9.1	1,871,946	901,706
Provision for Workers' Welfare Fund	9.2	549,220	212,270
Provision for Taxation		2,864,077	-
Payable to SQZ Business Management Consultancy		159,904	159,904
Accrued Expenses		230,350	1,243,421
Other liabilities		2,990,993	1,225,353
		8,666,490	3,742,654
11. Unrealized loss on Revaluation of Investments			
Opening balance		(2,728,426)	(4,867,878)
Surplus / (deficit) on revaluation during the year		(1,272,560)	2,139,452
		(4,000,986)	(2,728,426)

- 11.1** This represents deficit on revaluation of investments classified as fair value through other comprehensive income. Unrealized gain on revaluation of investment cannot be distributed to the certificate holders.

12. Contingencies and Commitments

12.1 Contingencies

- 12.1.1** During the year 2019, a notice was served to Trust Modaraba, along with certain other modarabas, by Sindh Revenue Board (SRB) for the recovery of tax under Sindh Sales Tax on Services Act, 2011 amounting to Rs. 38.50 million comprising unpaid sales tax on services rendered in sindh from years 2011-12 to 2017-18. The Modaraba along with other Modarabas has filed a petition in Honourable Sindh High Court (SHC) on September 1, 2018 challenging the demand of Sindh Revenue Board (SRB) on the grounds of non-applicability of sales tax. A stay order in this regard has been granted by the SHC stating that no adverse order in respect of the proposed treatment shall be made against the Petitioners.. The management of the Modaraba based on its discussions with its legal counsel is of the view that in light of the stay order of the Court and the merits of the matter involved, the impugned charge of sales tax will be quashed and hence no provision for any sales tax liability on rentals of lease financing has been made in the financial statements.
- 12.1.2** The Modaraba did not transfer the total amount of dividend which remains unpaid or unclaimed to a separate profit bearing account to be called the unpaid dividend account opened by the Modaraba for this purpose in any scheduled bank. However, the present management of the Modaraba is of the view that they are not responsible for amounts of dividend before take over management i.e. February 2009 as there were no amount of dividend available in dividend bank account. Hence, no provision has been made in these financial statements as the management believes that the Modaraba is not liable to any penalty.

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

		(Un-audited) September 30 2021	(Un-audited) September 30 2020
	Note	Rupees	
13. Income from Ijarah - net			
Income from leasing and Ijarah operations		13,638,600	9,241,489
Less: Depreciation on fixed assets given on Ijarah		(7,519,314)	(6,783,708)
Less: Insurance on Ijarah assets		(753,641)	(610,236)
		5,365,645	1,847,545
14. Other Income			
Gain on disposal of Ijarah assets		39,395	-
Gain on disposal of owned fixed assets		13,000	(1,407)
Profit on deposit and saving accounts with banks		104,759	30,196
Rental income from investment properties		20,001	20,001
Gain on settlement		37,335,047	-
Miscellaneous income		138,460	69,246
		37,650,662	118,036
15. Operating Expenses			
Salaries, allowances and other benefits		5,056,376	3,445,890
Legal and professional charges		796,750	254,000
Fees and subscription		2,889,634	1,127,262
Electricity, gas and water		209,171	192,012
Telephone, postage and courier		131,429	151,779
Advertisement		44,348	-
Printing and stationery		312,628	121,475
Traveling and conveyance		22,502	94,987
Entertainment		158,737	124,712
Insurance		65,828	57,300
Vehicle running		519,210	515,580
Newspaper and periodicals		3,638	2,285
Rent, rates and taxes		480,042	390,867
Repairs and maintenance		586,203	519,051
Depreciation on own assets		144,067	211,649
Bank charges and commission		1,418	2,391
Sales tax		5,568	19,835
Ijarah rental expense - vehicle		278,087	330,288
Miscellaneous		35,021	36,830
		11,740,657	7,598,193
16. Earnings per Certificate - Basic and Diluted			
Profit for the period	Rupees	13,581,986	3,154,425
Weighted average number of certificates	Number	29,800,000	29,800,000
Earnings per certificate	Rupees	0.46	0.11

16.1. There is no dilution effect on the basic earnings per certificate of the Modaraba.

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

		(Un-audited) September 30 2021	(Un-audited) September 30 2020
	Note	Rupees	
17. Cash Generated From Operations			
Profit before taxation		16,847,513	3,232,577
Adjustments for non-cash and other items:			
- Depreciation:			
Under ijarah		7,519,314	6,783,708
In own use		144,067	111,167
Right of use assets		-	100,482
- Provision against assets		10,011,482	-
- (Gain) / loss on termination of ijarah arrangements		(39,395)	-
- (Gain) / loss on disposal own assets		(13,000)	1,407
- (Profit) on sale of short term investment		(145,547)	(2,712,407)
- (Profit) on long term investment - available for sale		-	(488,892)
Unrealized (gain)/loss on revaluation of held for trading investment		7,808,056	(2,203,959)
		6,672,920	-
- Balance written off			
- Workers' Welfare Fund		336,950	64,652
- Dividend income		(675,000)	(311,000)
		26,118,776	1,345,158
Operating profit before working capital changes		42,966,289	4,577,735
Decrease / (increase) in current assets			
- Advances, deposits, prepayments and other receivables		9,203,755	(956,150)
- Short term murabaha finances		(11,844,561)	(5,995,058)
- Short term musharakah finances		(2,578,208)	1,215,509
- Ijarah rental receivables		8,240,801	(1,546,697)
- Stock in trade		319,099	-
Increase / (decrease) in current liabilities			
- Creditors, accrued and other liabilities		4,586,886	1,821,164
		7,927,772	(5,461,232)
Cash generated from operations		50,140,311	(883,497)
18. Transactions with Related Parties			
Transactions during the period			
Related party	Relationship	Nature of transaction	
Al-Zamin Modaraba Management (Private) Limited	Modaraba Management Company	Management fee and others	1,871,946 359,175
Employees' Provident Fund	Associated undertaking	Contribution for the period	253,811 183,390
Executives and close relatives thereof	Associated persons	Repayment of loan received	45,000 100,000

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

		(Un-audited) September 30 2021	(Un-audited) September 30 2020
		Note	Rupees
Outstanding Balance as at the period end			
Al-Zamin Modaraba Management (Private) Limited	Payable against management fee and others	1,871,946	901,706
Executives and close relatives thereof	Loan receivables	125,000	170,000

19. Non Adjusting Event after the reporting date

The Board of Directors of the Management Company in their meeting held on September 16, 2021 has decided to pass over the dividend for the year ended on 30th June, 2021 (2020: Nil)

20. Authorization of Financial Statements

These financial statements were approved for issue by the Board of Directors of the Management company in their meeting held on 26 October 2021.

21. Corresponding Figures

Corresponding figures have been re-arranged, wherever necessary, to facilitate comparison.

For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER



KARACHI

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