

ANNUAL REPORT 2015

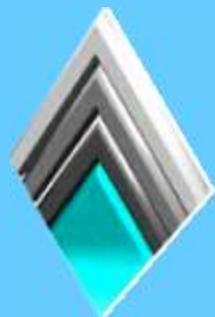
Ijarah

Murabaha

Musharakah

Equities

Trading



Trust Modaraba

Managed By:

Al-Zamin Modaraba Management (Pvt) Ltd

Contents

02	Mission Statement
03	Corporate Information
04	Notice of Annual General Meeting
05	Directors' Report
08	Key Operating and Financial Data
09	Statement of Compliance
12	Shari' ah Advisors' Report
13	Review Report to Certificate Holders
14	Auditors' Report
16	Balance Sheet
17	Profit and Loss Account
18	Statement of Comprehensive Income
19	Cash Flow Statement
20	Statement of Changes in Equity
21	Notes to the Accounts
43	Pattern of Certificate Holding
44	Categories of Certificate Holders

Mission Statement

Trust Modaraba aims to evolve and practice exemplary standards of integrity and proficiency by achieving balanced growth, building quality investment portfolio, maintaining high standards of efficiency and providing good return to its certificate holders. Trust Modaraba shall endeavor to maintain a comprehensive edge in the industry and contribute effectively in promotion of Islamic Financial Regime. It shall adopt a management culture based on participation, motivation and accountability to achieve professional and personal excellence and growth of human resource. Trust Modaraba shall achieve a balanced texture of being a prudent and progressive organization with a sound image in the market place.

Corporate Information

Modaraba Company

Al-Zamin Modaraba Management (Private) Limited

Board of Directors

Mr. Syed Manzoor Hussain Shah Kazmi	Chairman
Mr. Basheer Ahmed Chowdry	Chief Executive
Mr. Shaikh Arshad Farooq	Director
Mr. Muhammad Imranul Haque	Director
Mr. Sohail Ansar	Director
Dr. Namoos Baquar	Director
Mr. Syed Shahnawaz A. Rizvi	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
Ms. Roomana Nasir	Head of Human Resources

Audit Committee

Mr. Syed Shahnawaz A. Rizvi	Chairman
Mr. Shaikh Arshad Farooq	Member
Mr. Sohail Ansar	Member
Ms. Hamida Aqeel	Secretary Audit Committee

Internal Auditors

M/s Feroze Sharif Tariq & Co.
Chartered Accountants

Auditors of the Modaraba

Deloitte Yousaf Adil
Chartered Accountants

Bankers

Meezan Bank Limited
Bank Alfalah Limited – Islamic Banking

Legal Advisors

Shakeel Ahmed Awan
Advocate, Supreme Court of Pakistan

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

Regional Office

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

Gujranwala Branch

51-A, Adjacent Standard Chartered Bank, Trust Plaza, G.T. Road, Gujranwala.
Telephone: 055-3730308, 055-3730300 Fax: 055-3731108

Registrars

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



NOTICE OF ANNUAL REVIEW MEETING

Notice is hereby given that the Annual Review Meeting of Trust Modaraba to review the performance of the Modaraba for the year ended June 30th, 2015 will be held on Monday 26th October, 2015 at 06.00 pm at The Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi.

The certificate transfer books of the Modaraba will remain closed from 19th October, 2015 to 26th October, 2015 (both days inclusive).

Hamida Aqeel
Company Secretary

Karachi
2nd October, 2015.

DIRECTORS' REPORT

The Board of Directors of Al-Zamin Modaraba Management (Private) Limited has pleasure in presenting financial statements of Trust Modaraba for the year ending 30th June, 2015.

ECONOMY REVIEW

Pakistan is currently undergoing a process of economic liberalization, including privatization of all government corporations, aimed to attract foreign investment and decrease budget deficit. Security concerns stemming from the nation's role in the war on terror have created great instability and led to decline in foreign direct investment . The outlook is for moderate growth, lower inflation, and stable external position underpinned by low oil prices and stronger growth in the advance economies. These projections assume further progress in the Government of Pakistan's extensive program of macro economic and structural reforms, as well as manageable political and security challenges. In 2015 foreign exchange reserves crossed \$18.2 billion which has led to stable outlook of long term rating. GDP growth for the year 2014-15 was 4.24 % against targeted growth rate of 5.1 % could not achieved due to energy shortage, politically uncertainty, flood & heavy rains damaged major crops.

The Government has made some progress in implementing macro economic and structural reform to strengthen its fiscal position, alleviate energy shortage and restructure and privatize loss making public enterprises, widen narrow tax base, however, progress remains slow in a challenging political and security environment. The actual impact of rapid reductions made in the base rate by State Bank still needs to be seen.

PERFORMANCE REVIEW

During the year under review, your Modaraba has continued satisfactory performance and earned a profit of Rs.19.339 million before management fee. Since Trust Modaraba has been distributing 90 per cent of its profits to the certificate holders for many years, it's capacity to expand its business is restricted to the extent of available equity. Accordingly, fresh business was undertaken out of the liquidity generated through normal portfolio repayments and recovery of old receivables. The resources were deployed efficiently towards diversified business and allocating Rs.58.031 towards Ijarah disbursements, Rs.50.80 million towards Morabaha and Musharaka transactions, Rs.15.33 million towards diversification and Rs.9.238 invested in stock market operations.

During the year under review, a handsome amount has been recovered from the defaulting clients pertaining to previous management regime. Balance sheet footing of your Modaraba stood at Rs.411.442 million. Certificate holder's equity increased to Rs.310 million from Rs.306.70 million. Despite the inflationary pressure, the overall operating cost during the year has reduced as compared to corresponding period last year.

FUTURE OUTLOOK

Your management keeps making its best efforts to show continuous improvement in our financial results. We are confident that the Modaraba's financial position has all the ingredients and the potential to maintain a steady growth and help it stay economically successful and ever growing unit.

Efforts are being made to broaden the funding resources of the Modaraba in order to increase its business volume and improve profitability in the coming years. For this purpose, the process of Credit Rating is underway.

DIVIDEND DISTRIBUTION

The Board is pleased to announce that based on the profit earned by the Modaraba during the year ended 30th June 2015 a cash dividend of 4.25% had been declared. The book closure to determine the entitlements of dividend will be announced in due course.

COMPLIANCE UNDER CODE OF CORPORATE GOVERNANCE

- The financial statements prepared by the management of Trust Modaraba present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of Modaraba have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements of Modaraba and accounting estimates are based on reasonable and prudent judgement.
- International Accounting Standards, as applicable to Modaraba, have been followed in preparation of financial statements and any departure there-from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts about Modaraba's ability to continue as a going concern.
- There has been no material departure from the best practices and corporate governance as detailed in the listing regulations.
- The Board of Directors has duly instituted a self-valuation mechanism of its performance as required in Clause v (e) of the Code of Corporate Governance.

BOARD MEETINGS

Four meetings of the Board were held pertaining to Trust Modaraba, which were attended as follows:

		No. of Meetings Attended
Mr. Manzoor Hussain Shah Kazmi	Chairman	2
Mr. Bashir A. Chowdry	Chief Executive	4
Mr. Sohail Ansar	Director	1
Mr. Sheikh Arshad Farooq	Director	4
Dr. Namoos Baquar	Director	4
Syed. Shahnawaz A. Rizvi	Director	3
*Mr. Mohammad Imranul Haq	Director	1

*(Mr. Ansar Hussain was represented Mr. Imran ul Haque being alternate Director)

Leave of absence was granted to the members who could not attend the meetings due to their pre-occupation.

AUDIT COMMITTEE AND INTERNAL CONTROL SYSTEM

The Management of your Modaraba believes in good Corporate Governance, implemented through a well defined system of check and balances, The board of directors established a system of sound internal controls, which is effectively implemented at all levels within the Modaraba.

The Audit committee comprises of three members who are all non-executive directors including the Chairman of the committee.

AUDITORS

As per suggestion of the Audit Committee, the Board has recommended the reappointment of auditors M/s. Deloitte Yousuf Adil Chartered Accountants for the financial year ending June 30, 2016.

PATTERN OF CERTIFICATE HOLDING

Pattern of certificate holding as at 30th June 2015 is attached. No trade in the certificates of the Modaraba was carried out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children.

VALUE OF THE FUNDS INVESTMENT

The Modaraba operates a contributory provident fund for all its permanent employees. Equal monthly contributions are made, both by the Modaraba and employees to the fund @10% of the basic salary. Based on latest accounts of the fund, the value of its' investments as at 30th June, 2015 works out to be Rs. 4,234,258.

EARNING PER CERTIFICATE

The earning per certificate of the Modaraba for the year ended 30th June, 2015 stood at Rs.0.58 per certificate as compared to Rs.0.68 per certificate for the previous year.

“JAMAPUNJI” NOTIFICATION

In compliance of SRO No: 924(i)/2015 of Securities & Exchange Commission of Pakistan, their “JumaPunji” notification has been incorporated in this Report and will also be included in the future reports.

ACKNOWLEDGEMENTS

The Board wishes to place on record its appreciations for the support and guidance provided by the Registrar Modarabas and Securities and Exchange Commission of Pakistan. The Board also acknowledges the hard work and commitment of the executives and staff members. Finally, the Board extends its gratitude to the certificate-holders who remained committed to the Modaraba and looks forward to their continued support in future.

For and on behalf of the Board of Directors



Basheer A. Chowdry
Chief Executive

Karachi
October 2nd, 2015.

Key Operating & Financial Data for the Last Six Years

(Rupees in Thousands)

	2015	2014	2013	2012	2011	2010
Paid-up capital	298,000	298,000	298,000	298,000	298,000	298,000
Reserves	12,058	8,683	6,514	(17,352)	(14,611)	(18,418)
Net equity	310,058	306,683	304,514	280,647	283,389	279,581
Morabaha financing	155,551	166,989	151,959	144,354	143,282	157,215
Fixed Assets	13,634	13,688	14,219	14,834	14,062	14,120
Assets given on lease	286,673	291,356	323,109	358,318	309,023	285,320
Total assets	411,442	418,229	428,517	400,546	377,213	371,133
Income Statement						
Income	90,826	103,039	101,966	84,029	73,690	59,304
Operating expenses	71,486	80,562	76,375	71,448	50,336	36,580
Profit/(Loss) before management fee	19,339	22,476	25,591	13,455	23,354	22,724
Profit/(Loss) after taxation	17,405	20,229	23,032	12,109	21,019	23,396
Earning/(Loss) per certificate	0.58	0.68	0.77	0.41	0.71	0.79

Statement of Compliance with the Code of Corporate Governance (COCG2012) [See Clause (XI)]

For the year ended June 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (the “Code”) contained in respective Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

Al-Zamin Modaraba Management (Private) Limited (Modaraba Company) is not listed, however, Trust Modaraba (the Modaraba) is listed at Karachi, Lahore and Islamabad Stock Exchanges. The Board of directors of the Modaraba Company is responsible for management of affairs of the Modaraba.

The Modaraba Company has applied the principles contained in the Code in the following manner:

1. The Modaraba Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Director	Mr. Syed Shahnawaz A. Rizvi
Executive Director	Mr. Basheer Ahmed Chowdry
Non Executive Directors	Mr. Syed Manzoor Husain Shah Kazami Mr. Sohail Ansar Mr. Muhammad Imran-UI-Haq Dr. Namoos Baquar Mr. Sheikh Mian Arshad Farooq

The independent director meets the criteria of independence as required under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Modaraba.
3. All the resident directors of the Modaraba Company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Modaraba, DFI or an NBFior, being a member of a stock exchange, has been declared as a defaulter by that stock exchange
4. No casual vacancy occurred on the board during the year.
5. The Modaraba Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Modaraba. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained in the form of minutes of meetings of the board and internal circulars. The overall corporate strategy of the Modaraba is discussed from time to time in the Board meetings and documented in the minutes.
7. All the powers of the Board have been duly exercised and decisions on material transactions have been taken by the Board including changes in remuneration of the Chief Executive Officer (CEO) and other executive director.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board has arranged training of one director during the year ended June 30, 2015 conducted by Pakistan Institute of Corporate Governance (PICG). In future, arrangements will also be made for other directors for acquiring certification under the directors training program within the required time period.
10. The Board has approved appointment of Internal Auditor, including their remuneration and terms and conditions of appointment. The Chief Financial Officer (CFO), Company Secretary continued their services and no change were made during this financial year.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Modaraba were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and other executives do not hold any interest in the certificates of the Modaraba other than that disclosed in the pattern of shareholding.
14. The Modaraba Company has complied with all the corporate and financial reporting requirements of the Code with respect to the Modaraba.
15. The Board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Modaraba as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises of three members, of whom all are non-executive directors including the Chairman of the committee.

18. The Board has outsourced the internal audit function to M/s. Feroze Sharif Tariq & Company, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Modaraba.
19. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold certificates of the Modaraba and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP).
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Modaraba securities, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the Code have been complied with.



Basheer A. Chowdry
CHIEF EXECUTIVE

Karachi

Date: October 2nd, 2015.

Report of Shari'ah Advisor

For the year ended June 30, 2015

I have conducted Shariah Review of Trust Modaraba managed by Al-Zamin Modaraba Management (Private) Limited for the financial year ended 30th June, 2015 in accordance with the requirements of the Shariah Compliance and Shariah Audit Mechanism for Modarabas and report that except the observations as reported hereunder, in my opinion:

- i. the Modaraba has introduced a mechanism which has strengthened the Shariah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shariah principles;
- ii. Following were the major developments that took place during the year:
 - a) Research and new product developments.
Adopted new inducted Shariah Compliance and Shariah Audit Mechanism.
 - b) Followed Model Islamic Financing Agreements approved by Religious Board.
- iii. the agreements entered into by the Modaraba are Shariah compliant and the financing agreements have been executed on the formats as approved by the Religious Board and all the related conditions have been met.
- iv. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shariah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah Compliance and Shariah Audit Regulations for Modarabas.
- v. profit sharing ratios, profits and charging of losses (if any) relating to any deposit raising product conform to the basis and principles of Shariah.
- vi. No earnings have been realized by any means prohibited by Shariah.

In my opinion, the operations of Trust Modaraba are in conformity with the Shariah Compliance and Audit Mechanism for Modarabas.



Signature
Stamp of Shariah Advisor.

Karachi
Date: October 2nd, 2015.

Muhammad Zubair Usmani
Jamia Darul Uloom Karachi

REVIEW REPORT TO THE CERTIFICATE HOLDERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Al-Zamin Modaraba Management (Private) Limited (the Board) for the year ended June 30, 2015 to comply with the respective Listing Regulations of Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange where the Modaraba is listed.

The responsibility for compliance with the Code is that of the Board. 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 Modaraba's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Modaraba's personnel and review of various documents prepared by the Modaraba to comply with the Code.

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's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Modaraba's corporate governance procedures and risks.

The Code requires the Modaraba to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board 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 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.

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 Modaraba's compliance, in all material respects, with the best practices contained in the Code as applicable to the Modaraba for the year ended June 30, 2015.

Deloitte Yousaf Adil
Chartered Accountants

Engagement Partner: Rana Muhammad Usman Khan

Date: October 2nd, 2015.
Lahore

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of **Trust Modaraba** as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (herein after referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of account have been kept by the management company in respect of Trust Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980), and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2015 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion Zakat deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Modaraba and deposited in Central Zakat Fund established under section 7 of the Ordinance.

We draw attention to the matter stated in note 18.4.1 to these financial statements, the ultimate outcome of which cannot presently be determined and, hence, no loss that may result therefrom has been recorded in these financial statements. Our opinion is not qualified in respect of this matter.

Deloitte Yousaf Adil
Chartered Accountants

Engagement Partner: Rana Muhammad Usman Khan

Date: October 2nd, 2015.
Lahore

BALANCE SHEET AS AT JUNE 30, 2015

	Note	2015 -----Rupees-----	2014
ASSETS			
Current Assets			
Cash and bank balances	5	827,212	2,419,130
Short term investments	6	5,945,191	962,400
Advances, deposits, prepayments and other receivables	7	35,534,063	14,964,543
Short term murabaha finances	8	50,726,084	65,462,388
Current portion of long term murabaha finances	9.4	73,519,602	64,731,690
Ijarah rental receivables	10	21,457,799	20,894,929
Short term diminishing musharakah finances	11	4,302,110	15,986,446
Current portion of long term diminishing musharakah finances	12	1,176,219	1,218,782
Accrued profit	13	2,165,534	3,764,103
Tax refunds due from Government		3,008,734	2,186,408
Stock in trade	14	6,663,708	11,056,171
Total Current Assets		205,326,256	203,646,990
Assets classified as held for sale	15	2,100,000	-
Non-Current Assets			
Long term murabaha finances	9	31,306,148	36,796,158
Long term diminishing musharakah finances	12	1,123,536	1,685,332
Long term deposits	16	1,780,740	1,605,562
Long term investments	17	6,314,040	5,349,297
Fixed assets	18	163,491,407	169,146,351
Total Non-Current Assets		204,015,871	214,582,700
Total Assets		411,442,127	418,229,690
LIABILITIES			
Current Liabilities			
Current portion of customers' security deposits	19	22,031,755	28,427,838
Creditors, accrued and other liabilities	20	24,960,466	21,827,066
Total Current Liabilities		46,992,221	50,254,904
Non-Current Liabilities			
Deferred income on murabaha	20.1	4,848,493	8,421,214
Customers' security deposits	19	49,542,440	52,870,425
Total Liabilities		101,383,154	111,546,543
NET ASSETS		310,058,973	306,683,147
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital	21	298,000,000	298,000,000
Reserves	22	12,058,973	8,683,147
		310,058,973	306,683,147
CONTINGENCIES AND COMMITMENTS	23	-	-

The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 -----Rupees-----	2014
Income from leasing (Ijarah) operations	24	63,682,224	75,741,541
Profit on murabaha finances	25	13,083,268	18,056,436
Profit on musharakah finances		1,685,388	4,550,593
Dividend income on equity investments		73,400	70,569
Profit on long term investment - available-for-sale		120,144	798,265
Profit on sale of short term investments - held-for-trading		707,352	193,856
Profit on sale of long term investments - available-for-sale		-	1,211,931
Trading income	26	1,358,207	570,070
Other income	27	4,899,847	2,798,350
		85,609,830	103,991,611
Reversal of provision / (provision) against non performing finances and other receivables-net	28	5,216,468	(951,944)
		90,826,298	103,039,667
Depreciation on fixed assets given on lease/ijarah	18.3	45,139,275	53,344,202
Administrative expenses	29	26,239,190	26,933,733
Other charges	30	107,974	284,884
		(71,486,439)	(80,562,819)
		19,339,859	22,476,848
Modaraba management company's fee		(1,933,986)	(2,247,685)
Profit before taxation		17,405,873	20,229,163
Taxation	31	-	-
Profit after taxation		17,405,873	20,229,163
Earnings per certificate - basic and diluted	32	0.58	0.68

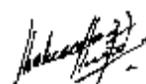
The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015**

	2015	2014
	-----Rupees-----	
Profit for the year	17,405,873	20,229,163
Other Comprehensive Income:		
Net change in fair value of available-for-sale investments	869,953	435,234
Net change in fair value of available-for-sale investments reclassified to profit and loss account	-	(615,287)
	869,953	(180,053)
Total comprehensive income for the year	18,275,826	20,049,110

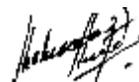
The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 -----Rupees-----	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		17,405,873	20,229,163
Adjustments for :			
Depreciation	17.3&17.4	45,726,761	54,542,022
Amortization	18.1	394,166	
(Reversal) / charge against non performing murabaha finances - net	28	(5,216,468)	951,944
Gain on disposal of fixed assets	18.5	(574,219)	(1,572,758)
Dividend income		(73,400)	(70,569)
		40,256,840	53,850,639
Cash from operating activities before changes in working capital		57,662,713	74,079,802
Changes in working capital			
(Increase) / decrease in current assets:			
Short term investments		(3,384,222)	(728,631)
Advances, deposits, prepayments and other receivables		(20,569,520)	3,702,701
Short term murabaha finances		11,164,860	(8,781,961)
Long term murabaha finances		5,490,010	(7,200,941)
Ijarah rental receivables		(562,870)	(2,117,231)
Short term diminishing musharakah finances		11,726,899	(1,759,423)
Long term diminishing musharakah finances		561,796	(597,828)
Stock in trade		4,392,463	(10,956,171)
		8,819,416	(28,439,485)
Increase / (decrease) in current liabilities:			
Creditors, accrued and other liabilities		(439,321)	632,631
Customers' security deposits		(9,724,068)	(13,089,412)
		(10,163,389)	(12,456,781)
Cash from operating activities		56,318,740	33,183,536
Taxes paid		(822,326)	(640,642)
Dividend paid		(14,900,000)	(17,880,000)
Net cash from operating activities		40,596,414	14,662,894
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure (including assets given on ijarah)		(69,389,014)	(59,331,120)
Sale proceeds of fixed assets (including assets given on ijarah)	18.5	29,497,250	40,900,470
Sale of investments - net		(94,790)	3,005,651
Expenditure on held for sale assets		(2,100,000)	
Long term deposits paid during the year		(175,178)	(301,600)
Dividend received		73,400	70,569
Net cash used in investing activities		(42,188,332)	(15,656,030)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net decrease in the cash and cash equivalents		(1,591,918)	(993,136)
Cash and cash equivalents at the beginning of year		2,419,130	3,412,266
Cash and cash equivalents at the end of year		827,212	2,419,130

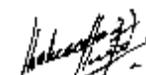
The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015**

	Certificate capital	Statutory reserve	Revenue reserves		Total Reserves	Total Equity
			Unrealized	Accumulated		
-----Rupees-----						
Balance as at June 30, 2013	298,000,000	65,767,979	(1,748,838)	(57,505,104)	6,514,037	304,514,037
Dividend paid	-	-	-	(17,880,000)	(17,880,000)	(17,880,000)
Total comprehensive income for the year	-	-	(180,053)	20,229,163	20,049,110	20,049,110
Transfer to statutory reserve at 20%	-	4,045,833	-	(4,045,833)	-	-
Balance as at June 30, 2014	298,000,000	69,813,812	(1,928,891)	(59,201,774)	8,683,147	306,683,147
Dividend paid	-	-	-	(14,900,000)	(14,900,000)	(14,900,000)
Total comprehensive income for the year	-	-	869,953	17,405,873	18,275,826	18,275,826
Transfer to statutory reserve at 20%	-	3,481,175	-	(3,481,175)	-	-
Balance as at June 30, 2015	298,000,000	73,294,987	(1,058,938)	(60,177,076)	12,058,973	310,058,973

The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Trust Modaraba was formed in Pakistan under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and being managed by Al-Zamin Modaraba Management (Private) Limited (AZMML). The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharakahs, Leasing (Ijarah), investment in marketable securities, tradings and other permissible businesses. The Modaraba commenced its business operations from November 12, 1991. 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 301-302, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore. It is listed on the Karachi, Lahore and Islamabad Stock Exchanges.

2 STATEMENT OF COMPLIANCE

- 2.1 These Financial Statements have been prepared in accordance with approved accounting standards as applicable in Pakistan except for International Accounting Standard (IAS) 17 "Leases", and the requirements of the Companies Ordinance, 1984, Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and Islamic Financial Accounting Standard 1 (IFAS-1) as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the approved accounting standards differ with the requirement of Companies Ordinance, 1984, Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by the Securities and Exchange Commission of Pakistan (SECP), the requirements of later take precedence.

The SECP has issued directive (Vide SRO431 (IJ/2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS-2) shall be followed in preparation of the financial statements by Companies and Modarabas while accounting for Ijara (Lease) transactions as defined by the said standard. The Modaraba is in compliance with the requirements of the aforesaid IFAS-2.

2.2 Standards not complied in preparation of the financial statements by the Modaraba

SECP vide its circular No. 10 of 2004 dated February 13, 2004 has deferred, till further orders, the applicability of IAS 17 on Modarabas with effect from July 01, 2003 and advised the management companies of Modarabas that they may continue to prepare the financial statements of the Modarabas without applying the requirements of the said IAS to the Modarabas.

2.3 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2015

The following standards, amendments and interpretations are effective for the year ended June 30, 2015. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	Effective date (accounting periods beginning on or after)
Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization	July 01, 2014
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	January 01, 2014
IAS 36 Impairment of Assets - Recoverable amount disclosures for non-financial assets	January 01, 2014
IAS 39 Financial Instruments: Recognition and measurement - Novation of derivatives and continuation of hedge accounting	January 01, 2014
IFRIC 21 - Levies	January 01, 2014

2.4 Standards, interpretations and amendments to published approved accounting standards those are not yet effective for the year ended June 30, 2015

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	Effective date (accounting periods beginning on or after)
Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization	January 01, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants	January 01, 2016
IAS 27 (Revised 2011) – Separate Financial Statements	January 01, 2015
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	January 01, 2015
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 – Fair Value Measurement	January 01, 2015

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1- First Time Adoption of International Financial Reporting Standards
IFRS 9 – Financial Instruments
IFRS 14 – Regulatory Deferral Accounts
IFRS 15 – Revenue from Contracts with Customers

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except certain financial instruments which are measured at fair value.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. In the process of applying the Modaraba's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

4.1.1 Useful lives, pattern of flow of economic benefits and impairment

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits based on the analysis by the management of the Modaraba. Further, the Modaraba reviews the value of the assets for possible impairments on an annual basis and any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment established. Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal.

4.1.2 Provision against non performing financings

The Modaraba reviews its overdue leases at each reporting date to assess whether provision should be recorded in the profit and loss account, in addition to the mandatory provisions required in accordance with the Prudential Regulations issued by the Securities and Exchange Commission of Pakistan. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provision.

4.2 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash at bank and other short-term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.3 Investments

4.3.1 Available-for-sale

These are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are re-measured at fair value. For listed securities, fair value is determined on the basis of period end bid prices obtained from stock exchange quotations, while for unquoted securities, fair value is determined considering break up value of securities.

All purchases and sales of investments are recognized on the trade date which is the date when Modaraba commits to purchase or sell the investment. Cost of purchase includes transaction cost.

Changes in carrying value are recognized in equity until the investment is sold or determined to be impaired at which time the cumulative gain or loss previously recognized in equity is included in profit and loss account for the year.

4.3.2 Held-for-trading

Investments that are acquired principally for the purpose of generating a profit from short term fluctuations in price are classified as trading investments and included in current assets. These are initially measured at fair value and at subsequent reporting dates, these investments are re-measured at fair value. Realized and unrealized gains and losses arising from changes in fair value are included in profit and loss account for the year in which they arise.

The fair value of publicly traded securities is based on market prices quoted on the Karachi Stock Exchange at the balance sheet date. The investment for which a quoted market price is not available, are measured at cost as it is not practical to apply any other valuation methodology.

All purchases and sales of investments are recognized on the trade date which is the date that the Modaraba commits to purchase or sell the investment.

At each balance sheet date, the Modaraba reviews the carrying amounts of the investments to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense. In respect of 'available for sale' financial assets, cumulative impairment loss less any impairment loss on that financial assets previously recognized in profit and loss account is removed from equity and recognized in the profit and loss account. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account.

4.4 Murabaha

Murabaha to the purchase ordered is sale transaction wherein the first party (the Modaraba) sells to the client / customer sharia compliant asset / goods for cost plus a pre-agreed profit. In principal on the basis of undertaking (promise-to-purchase) from the client (the purchase ordered), The Modaraba purchases the assets/goods subject of the Murabaha from third party and takes possession thereof, however, the Murabaha can appoint the client as its agent to purchase the assets/goods on behalf. Thereafter, its sells it to the client at cost plus the profit agreed upon in the promise. Murabaha financing is recorded at the invoiced amount and profit is recognized. Profit on that portion of sale revenue not due for payment is deferred and recognized as liability. Goods purchased by the Modaraba but remained unsold, if any with the Modaraba at balance sheet date constitute inventories.

4.5 Leases (Ijarahs)

Lease Agreements executed before July 01, 2008, Modarabas are required to enter into lease contracts in accordance with the principles of Sharia and in the form approved by Modaraba's Religious Board. The principles of Sharia prohibit the Modaraba from undertaking any interest based transactions. The application of these principles has profound implications on the accounting treatment for leases which are divergent from the accounting treatment pronounced by IAS 17, which are explained as follows:

- (i) Although all the leases entered into by the Modaraba are fully paid out leases but, in accordance with the principles of Sharia substantial risks and rewards incidental to ownership of leased assets remain with the Modaraba as a lessor and are not transferred to the lessee, and
- (ii) The method of income recognition of finance lease prescribed by IAS-17 is interest based which is against the injunctions of Sharia.

In view of the above anomalies and in accordance with the injunctions of Sharia, the leased out asset is recorded in the Modaraba's accounts as operating lease.

4.6 Diminishing Musharakah Financing

In Diminishing Musharakah based Financing, the Modaraba enters into a Musharakah based on Shirkat-ul-milk for financing an agreed share of asset (e.g. house, land, plant or machinery, crops etc.) with its customers and enters into periodic profit payment agreement for the utilization of the Modaraba's Musharakah share by the customer.

4.7 Tangible fixed assets

4.7.1 Operating fixed assets in own use and depreciation

Operating fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to income by applying the straight-line method at the rates given in note 18.4.

Depreciation on additions to operating fixed assets is charged from the month in which the asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain/loss on disposal of assets is charged to current year's income.

4.7.2 Assets given to customers on lease and depreciation

Leased assets are stated at cost less accumulated depreciation. Depreciation is charged to income by applying the straight line method whereby the cost of an asset less salvage value is written off over the leased period, which is considered to be the estimated useful life of the asset. Depreciation on additions and disposals during the year is charged proportionately from the date of commencement of the lease to the date of its maturity/termination.

4.7.3 Assets given to customers under Ijarah agreements

Assets given to customers under Ijarah arrangements on or after July 01, 2008 are accounted for as operating lease and are stated at cost less accumulated depreciation and impairment loss, if any. Assets under Ijarah arrangements are depreciated on straight line basis over the shorter of Ijarah term or asset's useful life. In respect of additions and transfer during the year, depreciation is charged proportionately to the period of Ijarah.

4.7.4 Impairment

Services of independent valuers are used to value the assets. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss account.

4.8 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Fixed assets once classified as held for sale are not depreciated.

4.9 Trade debts

Trade debts originated by the Modaraba are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. Known bad debts are written off and provision is made against debts considered doubtful when collection of the full amount is no longer probable.

4.10 Inventories

Murabaha transaction are entered into on customer order basis, therefore, in normal circumstances there is no inventory. However, if any inventory remains unsold by the Modaraba at period end will be measured at lower of cost and net realizable value. Cost is determined on the first in first out basis.

4.11 Ijarah assets

The Modaraba recognizes ijarah payments under an Ijarah agreement as an expense in the profit and loss account on a straight line basis over the Ijarah term.

4.12 Revenue recognition

4.12.1 Murabaha profit

Profit on finances under Murabaha arrangements is recognized on a pro-rata basis taking into account the duration of placement of funds. Income on Murabaha executed on or after 1 July 2009 is accounted for on culmination of Murabaha transaction. However, profit not due for payment in the current year is deferred by accounting for unearned Murabaha income with corresponding credit to deferred Murabaha income which is recorded as a liability. The same is then recognized as revenue on a time proportionate basis.

4.12.2 Diminishing Musharakah profit

Profit on Diminishing Musharakah financings are recognized on accrual basis.

4.12.3 Lease rentals

The Modaraba records all lease transactions as operating leases. Lease rentals are recognized as income when lease installments become due under the agreements.

4.12.4 Ijarah rentals

For Ijarah agreements executed on or after July 01, 2008 Ijarah rentals are recognized as income on accrual basis as and when the rental become due over the Ijarah period.

4.12.5 Dividend income

Dividend income is recognized when the right to receive payment is established.

4.12.6 Capital gain or loss

Capital gain or loss on sale of investments is recognized in the period in which it arises.

4.13 Taxation

Current:

Provision for current taxation is based on taxable income at current rates of taxation after taking into account applicable tax credit, rebates and exemption available, if any. The income of non-trading Modarabas is exempt from tax provided that not less than 90% of their profits are distributed to the certificate holders.

Deferred:

Deferred taxation is accounted for using the balance sheet liability method providing for temporary 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 timing 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 based on the rates that have been enacted or substantively enacted up to the balance sheet date and are expected to apply to the period when the difference arises.

4.14 Financial instruments

Financial instruments include long term deposits, trade debts, advances, deposits and other receivables, cash and bank balances, Murabaha finances, Ijarah rental receivables, investments, creditors, accrued and other liabilities.

Financial assets and liabilities are recognized at the time the Modaraba becomes a party to the contractual provisions of the instruments.

The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets are derecognized when the Modaraba loses control of the contractual rights that comprise the financial asset. The Modaraba loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Modaraba surrenders those rights.

Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the profit and loss account currently.

Financial assets and liabilities are offset when the Modaraba has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

4.15 Retirement and termination benefits

The Modaraba operates a defined contributory approved provident fund for all its employees. The Modaraba and the employees both make equal monthly contributions to the fund at the rate of 10% of the basic salary of employees.

4.16 Dividend

Dividend distribution to the Modaraba's certificate holders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Modaraba Management Company.

4.17 Earnings per certificate

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

	Note	2015	2014
		-----Rupees-----	
5 CASH AND BANK BALANCES			
Cash in hand		36,314	39,527
Balances with bank in:			
Current accounts		280,940	456,923
Saving accounts	5.1	509,958	1,922,680
		790,898	2,379,603
		827,212	2,419,130

5.1 These carry profit at the rate of 4% to 5% (2014: 5% to 6%) per annum.

6 SHORT TERM INVESTMENTS

Financial assets at fair value through profit and loss - Held-for-trading

NIT Islamic Unit Fund		2,000,000	-
Shares of listed companies - at cost	6.1	4,159,223	1,099,162
Unrealized (loss) on revaluation of held-for-trading investments	6.2	(214,032)	(136,762)
		5,945,191	962,400

2015		2014	
Average cost	Market value	Average cost	Market value
-----Rupees-----			

6.1 Shares of listed companies

Sui North Gas Pipeline Ltd	-	-	483,704	453,000
Nil (2014 : 20,000) ordinary shares of Rupees 10 each fully paid				
Pakistan Telecommunication Company Ltd	720,736	512,500	615,458	509,400
25,000 (2014 : 20,000) ordinary shares of Rupees 10 each fully paid				
Mari Petroleum Company Ltd	2,352,917	2,343,000	-	-
5,000 (2014 : Nil) ordinary shares of Rupees 10 each fully paid				
Honda Atlas Car Ltd	227,993	218,680	-	-
1,000 (2014 : Nil) ordinary shares of Rupees 10 each fully paid				
Treet Corporation Ltd.	117,846	108,225	-	-
1,500 (2014 : Nil) ordinary shares of Rupees 10 each fully paid				
K Electric Ltd.	89,037	84,200	-	-
10,000 (2014 : Nil) ordinary shares of Rupees 10 each fully paid				
DG Khan Cement Company Ltd	66,244	71,386	-	-
500 (2014 : Nil) ordinary shares of Rupees 10 each fully paid				
FF Bin Qasim Ltd	584,450	553,200	-	-
10,000 (2014 : Nil) ordinary shares of Rupees 10 each fully paid				
	4,159,223	3,891,191	1,099,162	962,400

6.2 It also includes unrealized revaluation gain on NIT Islamic Unit Fund of Rs. 54,000 (2014: Nil).

	Note	2015	2014
		-----Rupees-----	
7	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances to employees against salary - considered good		139,000	185,152
Advance to Employees - operational		132,029	-
Security deposits		4,500	4,500
Prepayments		1,589,808	1,562,448
Due from brokers against sale of shares		583,019	10,181
Trade receivables	7.1	18,505,321	7,457,603
Receivable from Trust Management Services (Pvt.) Ltd.		1,489,036	1,489,035
Provision for doubtful receivables		(1,489,036)	(1,489,035)
		-	-
Legal suits charges receivable	7.2	1,509,973	2,053,719
Provision for doubtful receivables		(833,723)	(1,377,469)
		676,250	676,250
Late payment charges receivable		3,192,155	3,192,155
Suspended income		(3,192,155)	(3,192,155)
		-	-
Sundry receivables		14,326,723	5,540,508
Provision for doubtful receivables		(422,587)	(472,099)
		13,904,136	5,068,409
		35,534,063	14,964,543
7.1	This represents amount receivable against the sale of stock in trade and includes an amount aggregating to Rs. 3,882,033 receivable from Eiman Cold Storage which is secured by Modaraba through execution of Memorandum of Deposit of Title Deed (MODTD) with the party.		
7.2	Legal suits charges receivable		
Opening balance		2,053,719	2,155,856
Addition during the year		-	51,263
Reversal due to recovery		-	(97,400)
Write off during the year		(543,746)	(56,000)
		1,509,973	2,053,719
8	SHORT TERM MURABAHA FINANCES - Secured		
Considered good	8.1	14,232,084	21,138,388
Considered doubtful			
- Regular parties		-	-
- Parties under litigation	8.2	73,490,300	74,790,300
- Recovery during the year		(7,830,000)	(1,300,000)
		65,660,300	73,490,300
Provision for classified receivables under Prudential Regulations for Modarabas	8.3	(29,166,300)	(29,166,300)
		50,726,084	65,462,388
8.1	The Modaraba has sold goods under Murabaha arrangements whereby payment is deferred along with specified profit margin. These finances are secured by way of hypothecation/pledge of stocks, shares of listed public limited companies, mortgage of properties, demand promissory notes, charge on assets and personal guarantees.		

8.2 These include Rs. 64.3 million (2014: Rs.71.69 million) which is receivable from 6 (2014: 7) customers under Murabaha finance. Legal proceedings against these customers are in process in the Honorable Courts of Law. The Courts have awarded decree in favour of Modaraba in 5 (2014: 6) cases for recovery of Rs.69.256 million (2014: Rs.83.273 million), while execution petitions for these cases are pending. Settlement / compromise agreements has been made with one party during the year ended June 30, 2015.

	Note	2015 -----Rupees-----	2014
8.3 Provision for classified receivables under Prudential Regulations			
Opening balance		29,166,300	28,700,300
Provision for the year	8.3.1	-	466,000
		<u>29,166,300</u>	<u>29,166,300</u>
9 LONG TERM MURABAHA FINANCES - Secured			
Considered good	9.2	79,315,561	69,666,041
Considered doubtful	9.3	28,236,796	39,861,807
		<u>107,552,357</u>	<u>109,527,848</u>
Current portion grouped under current assets	9.4	<u>(76,246,209)</u>	<u>(72,731,690)</u>
		<u>31,306,148</u>	<u>36,796,158</u>
9.1 The Modaraba has sold goods under murabaha arrangements whereby payment is deferred along with specified profit margin. These finances are secured by way of hypothecation/pledge of stocks, shares of listed public limited companies, mortgage of properties, demand promissory notes, charge on assets and personal guarantees.			
9.2 Long term murabaha finances- considered good		79,760,285	69,666,041
Suspension made during the year		<u>(444,724)</u>	-
		<u>79,315,561</u>	<u>69,666,041</u>
9.3 This represents receivable from 1 (2014: 1) customer under murabaha finance which is under litigation. Legal proceedings against this customer is in process in the Honorable Courts of Law. The Courts have awarded decree in favour of Modaraba in this case for recovery of Rs. 50.035 million (2014: Rs. 50.035 million) out of which Rs.15.5 million has been recovered upto year ended June 2015.			
9.4 Current portion of long term murabaha finances			
Installments overdue		38,523,777	39,861,807
Installments receivable within next 12 months		37,722,432	32,869,883
		<u>76,246,209</u>	72,731,690
Provision for classified receivables under Prudential Regulations for Modarabas	9.4.1	<u>(2,726,607)</u>	(8,000,000)
		<u>73,519,602</u>	<u>64,731,690</u>
9.4.1 Provision for classified receivables under Prudential Regulations			
Opening balance		8,000,000	8,000,000
Reversal due to recovery		<u>(5,273,393)</u>	-
		<u>2,726,607</u>	<u>8,000,000</u>
9.4.2 Provision is adjusted for any amount of liquid assets realizable without recourse to a court of law and the forced sale value of mortgaged/pledged securities as valued by professional valuers.			
10 IJARAH RENTAL RECEIVABLES - secured			
Considered good		4,229,656	5,410,162
Considered doubtful			
- Regular parties		3,335,359	1,225,200
- Parties under litigation	10.1	36,282,800	36,282,800
Suspended ijarah income - considered doubtful	10.2	<u>(18,995,855)</u>	(18,685,997)
Provision for doubtful ijarah rental receivables	10.3	<u>(3,394,161)</u>	<u>(3,337,236)</u>
		<u>21,457,799</u>	<u>20,894,929</u>
10.1 It includes receivable from a customer amounting to Rs. 7.250 million (2014: Rs. 7.250 million) against which the Modaraba has a claim due from a financial institution in respect of pro-rata share of the sale proceed of jointly attached two properties sold by the said financial institution under the Court orders.			

	Note	2015 -----Rupees-----	2014
10.2	Suspended ijarah income - considered doubtful		
	Opening balance	18,685,997	18,643,562
	Recovery during the year	(37,367)	-
	Suspension made during the year	347,225	42,435
		<u>18,995,855</u>	<u>18,685,997</u>
10.3	Provision for doubtful Ijarah rental receivables:		
	Opening balance	3,337,236	2,958,183
	Charge for the year	56,925	379,053
		<u>3,394,161</u>	<u>3,337,236</u>
11	SHORT TERM DIMINISHING MUSHARAKAH FINANCES- secured		
	Considered good	2,086,700	15,986,446
	Considered doubtful	2,215,410	-
		<u>4,302,110</u>	<u>15,986,446</u>
12	These are secured against land of Musharakah's participant and is considered good by the management of the Modaraba.		
13	ACCRUED PROFIT		
	Profit receivable on long term investment	1,575,830	1,763,812
	Profit receivable on diminishing musharakah finances	1,509,866	1,617,279
	Suspended income	(983,174)	-
		526,692	1,617,279
	Profit receivable on murabaha finances	3,829,445	4,744,341
	Suspended income	(3,766,433)	(4,361,329)
		63,012	383,012
		<u>2,165,534</u>	<u>3,764,103</u>
13.1	Suspended income account against Murabaha profit receivable is as follows:		
	Opening balance	4,361,329	8,944,738
	Recovery during the year	(594,896)	(4,362,760)
	Written off	-	(220,649)
		<u>3,766,433</u>	<u>4,361,329</u>
14	STOCK IN TRADE		
	Peddy Rice	5,108,800	7,206,222
	Agro Services(stock pesticides)	854,908	1,400,000
	Wheat	-	2,449,949
	Others	700,000	-
		<u>6,663,708</u>	<u>11,056,171</u>
14.1	This represents goods purchased for trading purposes under other permissible businesses as mentioned in Note 1.		
15	ASSET CLASSIFIED AS HELD FOR SALE		
	This represents livestock of sacrificial nature purchased for trading purpose. The management intends to sell such stock in near future through negotiation mode of selling. The livestock has been measured at cost at year end which approximates its fair value.		

	2015	2014
Note	-----Rupees-----	
16 LONG TERM DEPOSITS		
Central Depository Company	154,862	154,862
Sajjad Ahmed	500,000	-
Muhammad Afzal	250,000	-
UDL Modaraba	204,000	-
Others	671,878	1,450,700
	<u>1,780,740</u>	<u>1,605,562</u>
17 LONG TERM INVESTMENTS		
Available for sale		
Equity securities	17.1 438,540	-
Sukuk certificates	17.2 5,875,500	6,219,250
Total investment at cost	6,314,040	6,219,250
Unrealized gain on revaluation of investments	-	(869,953)
Net investments at fair value	<u>6,314,040</u>	<u>5,349,297</u>
17.1	It represents 43,834 (2014: Nil) redeemable preference shares of Mari Petroleum Ltd. having face value of Rs. 10 each.	
17.2	It represents 2,000 (2014: 2,000) BRR Guardian Modaraba certificates having face value of Rs. 10 million and are secured against joint ownership of Musharaka assets.	
18 FIXED ASSETS		
Operating fixed assets in own use - Intangible	18.1 -	394,166
Advances to supplier	18.2 10,431,000	-
Operating fixed assets given on lease (ijarah) - tangible	18.3 139,426,280	155,457,489
Operating fixed assets in own use - tangible	18.4 13,634,127	13,294,696
	<u>163,491,407</u>	<u>169,146,351</u>
18.1 Computer softwares		
Cost		
Opening balance	1,050,000	750,000
Additions during the year	-	300,000
Closing balance	1,050,000	1,050,000
Amortization		
Opening balance	655,834	270,829
Amortization for the year	394,166	385,005
Closing balance	1,050,000	655,834
Carrying value	-	394,166

18.1.1 Amortization is charged on straight line basis @ 33.33% per annum, starting from the month the asset is available for use.

18.2 This represents an advance paid to Indus Motor Company against the purchase of vehicles for Ijarah.

18.3 Operating fixed assets given on lease (ijarah) - tangible

PARTICULARS	2015				2014				
	BALANCE AS AT JULY 01, 2014		FOR THE YEAR		BALANCE AS AT JULY 01, 2014		FOR THE YEAR		
	Cost	Accumulated Depreciation	Net Book Value	Additions	Disposal Cost / (Accumulated Depreciation)	Depreciation Charge	Cost	Accumulated Depreciation	Net Book Value
Plant and equipments	132,262,404	84,721,481	47,540,923	5,137,097	22,304,000 (9,514,800)	7,643,066	115,095,501	82,849,747	32,245,754
Vehicles	158,909,449	51,032,041	107,877,408	52,894,000	40,225,949 (24,102,115)	37,467,048	171,577,500	64,396,974	107,180,526
Furniture and fixtures	185,000	145,842	39,158	-	185,000 (175,003)	29,161	-	-	-
	291,356,853	135,899,364	155,457,489	58,031,097	62,714,949 (33,791,918)	45,139,275	286,673,001	147,246,721	139,426,280

PARTICULARS	2014				2013				
	BALANCE AS AT JULY 01, 2013		FOR THE YEAR		BALANCE AS AT JULY 01, 2013		FOR THE YEAR		
	Cost	Accumulated Depreciation	Net Book Value	Additions	Disposal Cost / (Accumulated Depreciation)	Depreciation Charge	Cost	Accumulated Depreciation	Net Book Value
Plant and equipments	147,679,404	89,475,127	58,204,277	10,837,000	26,254,000 (17,876,900)	13,123,254	132,262,404	84,721,481	47,540,923
Vehicles	175,245,149	44,147,685	131,097,464	47,826,500	64,162,200 (33,211,588)	40,095,944	158,909,449	51,032,041	107,877,408
Furniture and fixtures	185,000	20,838	164,162	-	-	125,004	185,000	145,842	39,158
	323,109,553	133,643,650	189,465,903	58,663,500	90,416,200 (51,088,488)	53,344,202	291,356,853	135,899,364	155,457,489

18.3.1 Modaraba has filed suits for possession of leased assets valuing Rs. 70.516 million (2014: Rs. 70.516 million) against 5 clients (2014: 5 clients). The respective courts have granted decrees against 4 (2014: 4) clients in favor of Modaraba. The Courts have decided to attach some properties of customers in addition to their assets to the Modaraba. However, execution petitions for recovery of the decretal amount are still pending.

18.4 Operating fixed assets in own use - tangible

PARTICULARS	BALANCE AS AT JULY 01, 2014				FOR THE YEAR			BALANCE AS AT JUNE 30, 2015		
	Cost	Accumulated Depreciation	Net Book Value	Additions	Disposal Cost / (Accumulated Depreciation)	Depreciation Charge	Cost	Accumulated Depreciation	Net Book Value	Rate (%)
	Rupees									
OWNED										
Land	11,106,200	-	11,106,200	-	-	-	11,106,200	-	11,106,200	-
Furniture & fixtures	1,442,405	847,408	594,997	200,371	-	125,000	1,642,776	972,408	670,368	10
Office equipments	2,180,280	1,286,385	893,895	249,200	-	221,080	2,429,480	1,507,465	922,015	10
Vehicles	1,513,295	1,453,798	59,497	477,346	-	72,411	1,990,641	1,526,209	464,432	20
Lease hold improvements	700,000	615,558	84,442	-	-	84,442	700,000	700,000	-	20
Books	16,423	16,423	-	-	-	-	16,423	16,423	-	20
Electrical equipments	934,517	378,852	555,665	-	-	84,553	934,517	463,405	471,112	10
	17,893,120	4,598,424	13,294,696	926,917	-	587,486	18,820,037	5,185,910	13,634,127	

PARTICULARS	BALANCE AS AT JULY 01, 2013				FOR THE YEAR			BALANCE AS AT JUNE 30, 2014		
	Cost	Accumulated Depreciation	Net Book Value	Additions	Disposal Cost / (Accumulated Depreciation)	Depreciation Charge	Cost	Accumulated Depreciation	Net Book Value	Rate (%)
	Rupees									
OWNED										
Land	11,106,200	-	11,106,200	-	-	-	11,106,200	-	11,106,200	-
Furniture & fixtures	1,442,405	735,484	706,921	-	-	111,924	1,442,405	847,408	594,997	10
Office equipments	1,967,896	1,058,496	909,400	212,384	-	227,889	2,180,280	1,286,385	893,895	10
Vehicles	1,462,795	1,254,498	208,297	50,500	-	199,300	1,513,295	1,453,798	59,497	20
Lease hold improvements	700,000	420,810	279,190	-	-	194,748	700,000	615,558	84,442	20
Books	16,423	16,423	-	-	-	-	16,423	16,423	-	20
Electrical equipments	829,781	299,898	529,883	104,736	-	78,954	934,517	378,852	555,665	10
	17,525,500	3,785,609	13,739,891	367,620	-	812,815	17,893,120	4,598,424	13,294,696	

18.4.1

It includes a piece of land measuring 10 Kanals, costing Rs. 10,728,400 situated at Mauza Amer Sidhu, Lahore Cantt acquired through settlement of certain Murabaha facilities. The subject land is presently in the possession of Defence Housing Authority, Lahore (DHA). The Modaraba has filed legal suit for possession of land in the Civil Court. The management and legal counsel of the Modaraba are confident that Modaraba has valid claim against DHA because title and sale deed is in name of Modaraba and accordingly no loss has been charged against such land.

18.4.2

Management intends to use this land for administration purposes in near future.

18.5 Disposal of operating fixed assets

18.5.1 Disposal of fixed assets given on lease (liarab)

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particular of Buyer
Hyundai Shehzore	1,050,000	735,000	315,000	315,000	-	Term of lease agreement	Ansir Abbas Luck Post Office Khas, Tehsil & District Sargodha.
Toyota Corolla Gii	1,479,000	859,796	619,204	749,074	129,870	Term of lease agreement	House No.408-G, Gulshan-E-Ravi Lahore.
Honda Civic Vti	1,750,000	1,400,000	350,000	350,000	-	Term of lease agreement	H.No.428-D, St.8, Askari-10, Cantt, Lahore.
Suzuki Alto Yxr	725,000	235,750	489,250	504,269	15,019	Term of lease agreement	House No.97-A, Street No.24, Naveed Park, Mughalpura, Lhr
Toyota Corolla Xli	1,337,000	1,069,600	267,400	267,400	-	Term of lease agreement	Paynsra Road, Street No. 3, Mohalla Khalid Park, Gofrah.
2 Suzuki Cultus	1,837,000	1,286,200	550,800	550,800	-	Term of lease agreement	Adda Saroki Cheema, Tehsil Wazirabad, District Gujranwala.
Toyota Corolla Xli	1,403,449	1,122,759	280,690	280,690	-	Term of lease agreement	House No.40/1, 5Th Commercial Street, Phase-6, D.H.A Karachi.
Toyota Corolla Xli	1,384,000	1,119,200	264,800	264,800	-	Term of lease agreement	Gulshan Colony Opp. Income Tak Office G.T. Road Gujranwala.
Toyota Land Cruiser	3,600,000	1,800,000	1,800,000	1,800,000	-	Term of lease agreement	X-Block, Khawaja Tariq Naik Road, Peoples Colony, Gujranwala.
Toyota Corolla Xli	1,399,000	909,350	489,650	489,650	-	Term of lease agreement	Bial Pur, P.O Mandilia Tega, Tehsil & District Gujranwala.
2 Toyota Corolla Xli	3,183,000	2,228,100	954,900	954,900	-	Term of lease agreement	29-M, Civic Centre, Model Town, Lahore
Toyota Corolla Gii	1,460,000	1,022,000	438,000	438,000	-	Term of lease agreement	11-Younas Steel Market, Atma Ram Road, District Gujranwala.
Toyota Corolla Gii	1,525,000	991,250	533,750	533,750	-	Term of lease agreement	Dha, Phase 3, Commercial Area, Lahore.
Toyota Corolla Gii	1,649,000	1,154,300	494,700	494,700	-	Term of lease agreement	Chandni Chowk, Main Bazar, Sanda Kalan, Lahore.
Toyota Corolla Gii	1,852,000	1,296,400	555,600	555,600	-	Term of lease agreement	Mustafa Colony, Sur Gas Road, Gujranwala.
Suzuki Cultus	965,000	723,750	241,250	241,250	-	Term of lease agreement	44-A, Tipu Block, New Garden Town, Lahore.
Toyota Vitz Model 2012	1,150,000	550,000	600,000	600,000	-	Term of lease agreement	Flat # 705, Sea Castle-1, Commercial 7, Clifton Block-4, Karachi.
Suzuki Bolan Model 2012	634,000	356,616	277,384	312,800	35,416	Term of lease agreement	Sain Bux Village Tawakal Ali Mirjat Deh Gondar, Hyderabad.
Suzuki Alto Dordel 2009	600,000	287,500	312,500	351,734	39,234	Term of lease agreement	House # 101, F-34/lli, Park Lane, Block-5, Clifton.
Suzuki Mehran	600,000	385,000	215,000	285,883	70,883	Term of lease agreement	Kharak Bhatian, P.O Beriwalla, Tehsil & Dist Hafizabad.
Super Star Sd-7 Motorcycle 2013	42,500	38,250	4,250	4,250	-	Term of lease agreement	Sagheer Muhammad House # 206 Lerp Scheme # 42, Maripur Karachi.
Suzuki Bolan	674,000	327,650	346,350	380,914	34,564	Term of lease agreement	Muslim Road, Street No.03, Mohalla Bakhe Wala, Gujranwala
Toyota Corolla Gii & Toyota Vitz	2,475,000	858,586	1,616,414	1,731,438	115,024	Term of lease agreement	Mohammad Hanif H.No.88, Sector-B-1, Block-14, Township, Lahore
2-Units Toyota Beta	2,550,000	1,690,000	860,000	860,000	-	Term of lease agreement	Suit No.D-4, West Lane Trade Centre Shaheed-E-Millat Road, Karachi.
Suzuki Swift	1,302,000	380,250	921,750	981,489	59,739	Term of lease agreement	Street Jamia Masjid Haneef Waji, Mohallah Sheer Pura, Hafizabad.
Honda Civic Model 2007	1,350,000	233,336	1,116,664	1,179,648	62,984	Term of lease agreement	Sabs The Salon 4-C, Farooq Heights, 26Th Tauheed Commercial Karachi.
Toyota Vitz	950,000	18,472	931,528	943,014	11,486	Term of lease agreement	Kaleer Koot, P.O. Rata Baijwa, Tehsil Daska, District Sialkot
Toyota Corolla Xli	1,300,000	1,023,000	277,000	277,000	-	Insurance claim	Bial Pur, P.O Mandilia Tega, Tehsil & District Gujranwala.
Toyota Corolla Xli	1,399,000	529,550	869,450	869,450	-	Term of lease agreement	Mohallah Amir Park, Commissioner Road, Gujranwala.
Diesel Gen Set Water Purification Plant	5,000,000	3,500,000	1,500,000	1,500,000	-	Term of lease agreement	Office # 10 4Th Floor Zeenat Medicine Market Karachi.
Denyo Dessel Generating Set 13Kva	500,000	400,000	100,000	100,000	-	Term of lease agreement	House # 132, Street 5, H Area Saudabad Malir Karachi.
Cnna Camra 6D	220,000	75,000	145,000	145,000	-	Term of lease agreement	C-67, Street #5, Chapal Sun City, Block-2, Scheme 33Gulzar E Hijri,
Water Jet Power Looms	2,400,000	1,500,000	900,000	900,000	-	Term of lease agreement	Kot Habib Ullah, Near Ferozwala Bridge Bypass Road Gujranwala.
Isuzu Diesel Generator Set 27 Kva	785,000	510,250	274,750	274,750	-	Term of lease agreement	Megatech Trackers (Pvt) Ltd 43-H/A, Block 6, P.E.C.H.S., Karachi
Carpet Weelin Machine	12,000,000	3,000,000	9,000,000	9,000,000	-	Term of lease agreement	Alam Chowk, Hafizabad Road, Peer Kanduwalla, Gujranwala.
Canon Camera Eos 5D Mark II Body	185,000	175,003	9,997	9,997	-	Term of lease agreement	C-67, Street #5, Chapal Sun City, Block-2, Scheme 33Gulzar E Hijri,
Total	62,714,949	33,791,918	28,923,031	29,497,250	574,219		

-Rupees

	Note	2015 -----Rupees-----	2014
19 CUSTOMERS' SECURITY DEPOSITS			
Opening balance		81,298,263	94,387,675
Received during the year		15,440,670	15,086,175
Adjusted during the year	18.2	(25,164,738)	(28,175,587)
Closing balance		71,574,195	81,298,263
Current portion shown as current liabilities		(22,031,755)	(28,427,838)
		<u>49,542,440</u>	<u>52,870,425</u>
19.1	These represent the customers' deposits to secure the lease finances given to customers.		
20 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Accrued expenses		95,570	10,154
Management fee payable		1,933,986	2,247,685
Deferred income on murabaha	20.1	9,971,677	6,504,834
Security deposit		40,000	40,000
Unclaimed dividends		11,798,787	11,106,560
Other liabilities		1,120,446	1,917,833
		<u>24,960,466</u>	<u>21,827,066</u>
20.1	Deferred income on murabaha		
Opening balance		14,926,048	13,876,035
Addition for the year		13,226,176	14,698,804
Recognized during the year		(13,332,054)	(13,648,791)
		<u>14,820,170</u>	<u>14,926,048</u>
Long term portion shown as non-current liabilities		(4,848,493)	(8,421,214)
		<u>9,971,677</u>	<u>6,504,834</u>
21	CERTIFICATE CAPITAL		
	Authorized Capital		
50,000,000 (2014: 50,000,000) Modaraba Certificates of Rs.10/- each		<u>500,000,000</u>	<u>500,000,000</u>
	Issued, subscribed and paid-up capital		
15,000,000 (2014: 15,000,000) Modaraba Certificates of Rs.10/- each fully paid-up in cash		150,000,000	150,000,000
12,300,000 (2014: 12,300,000) Modaraba Certificates of Rs.10/- each issued as fully paid bonus certificates		123,000,000	123,000,000
2,500,000 (2014: 2,500,000) Modaraba Certificates of Rs.10/- each issued as fully paid as a result of take over		25,000,000	25,000,000
	21.1	<u>298,000,000</u>	<u>298,000,000</u>
21.1	Al-Zamin Modaraba Management (Private) Limited holds 5,261,388 (2014: 5,261,388) Modaraba certificates as required by the SECP vide Order No. SC/M/RW/Trust/2009-43.		
22	RESERVES		
Statutory reserve	22.1	73,294,987	69,813,812
Revenue reserves:			
Unrealized loss on revaluation of investments		(1,058,938)	(1,928,891)
Accumulated loss		(60,177,076)	(59,201,774)
		<u>(61,236,014)</u>	<u>(61,130,665)</u>
		<u>12,058,973</u>	<u>8,683,147</u>
22.1	This represents profit set aside to comply with the Prudential Regulations for modarabas issued by the SECP. These regulations require a Modaraba to transfer not less than 20% and not more than 50% of its after tax profits till such time that reserves equals to 100% of the paid up capital. Thereafter, a sum not less than 5% of its after tax profits.		
23	CONTINGENCIES AND COMMITMENTS		
There were no contingencies outstanding as at June 30, 2015. Commitments in respect of unavailed murabaha facilities as on balance sheet date were Rs. Nil (2014: Rs. Nil), while commitments in respect of ijarah facilities are as follows:			
-	Ijarah commitments		
	The Modaraba has entered into ijarah arrangements for vehicles. These arrangements have remaining terms of less than five years. Such arrangements also include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.		

29.1 This includes salaries and allowances paid to executives as per the following details:

		2015		
		Executives	Others	Total
		-----Rupees-----		
Basic salary		2,986,140	2,880,110	5,866,250
House rent		1,194,456	1,152,044	2,346,500
Utilities		298,614	288,011	586,625
Other benefits	29.1.2	298,614	477,366	775,980
		<u>4,777,824</u>	<u>4,797,531</u>	<u>9,575,355</u>
Number of persons		<u>3</u>		

		2014		
		Executives	Others	Total
		-----Rupees-----		
Basic salary		2,397,912	2,305,917	4,703,829
House rent		1,079,060	1,037,663	2,116,723
Utilities		359,687	345,888	705,575
Other benefits		239,791	500,815	740,606
		<u>4,076,450</u>	<u>4,190,283</u>	<u>8,266,733</u>
Number of persons		<u>3</u>		

29.1.1 Two executives have been provided with modaraba maintained cars and are also entitled for reimbursement of fuel expenses.

29.1.2 It represents contribution made to provident fund.

29.2 Auditors' remuneration

	2015	2014
	-----Rupees-----	
Annual audit fee	250,000	250,000
Half yearly review	50,000	50,000
Out of pocket expenses	50,000	50,000
	<u>350,000</u>	<u>350,000</u>

29.3 Directors of Management Company have no interest in charity.

30 OTHER CHARGES

	Note	2015	2014
		-----Rupees-----	
Provision against doubtful receivables	30.1	-	148,122
Unrealized loss on revaluation of held-for-trading investments		107,974	136,762
		<u>107,974</u>	<u>284,884</u>

30.1 This represents provision made against legal suit charges receivable from defaulters.

31 TAXATION

Current:			
For the year		-	-
Prior year		-	-
Deferred tax		-	-
		<u>-</u>	<u>-</u>

31.1 No provision with respect to current and deferred taxation has been made in these accounts on the premise that under the current tax law the income of non-trading Modarabas is exempt from income tax provided that they distribute ninety percent cash profit to certificate holders out of current year's total profit after appropriating statutory reserves.

32 EARNINGS PER CERTIFICATE - BASIC & DILUTED

		2015	2014
Profit for the year	Rupees	17,405,873	20,229,163
Weighted average number of certificates	Number	29,800,000	29,800,000
Earnings per certificate	Rupees	0.58	0.68

32.1 There is no dilutive effect on the basic earnings per certificate of the modaraba.

33 RENTALS RECEIVABLE WITHIN NEXT TWELVE MONTHS

	2015	2014
	-----Rupees-----	
Future minimum lease rentals receivable on the basis of lease agreements executed up to 30 June are as follows:		
Receivable not later than one year	51,917,795	55,001,791
Receivable later than one year but not later than 5 years	50,872,408	46,274,541
	<u>102,790,203</u>	<u>101,276,332</u>

34 MATURITIES OF ASSETS AND LIABILITIES

	2015			
	Total	Up to one year	Over one to five years	Over five years
..... Rupees				
Assets:				
Cash and bank balances	827,212	827,212	-	-
Short term investments	5,945,191	5,945,191	-	-
Advances, deposits, prepayments and other receivables	35,534,063	35,534,063	-	-
Short term murabaha finances	50,726,084	50,726,084	-	-
Current portion of long term murabaha finances	73,519,602	73,519,602	-	-
Ijarah rental receivables	21,457,799	21,457,799	-	-
Diminishing musharakah finances	6,601,865	5,478,329	1,123,536	-
Accrued profit	2,165,534	2,165,534	-	-
Tax refunds due from Government	3,008,734	3,008,734	-	-
Stock in trade	6,663,708	6,663,708	-	-
Long term murabaha finances	31,306,148	-	31,306,148	-
Long term deposits	1,780,740	560,500	1,220,240	-
Long term investments	5,444,087	5,005,547	438,540	-
Advances to supplier	10,431,000	10,431,000	-	-
Assets given on Ijarah	139,426,280	57,663,785	81,762,495	-
Assets in own use	13,634,127	747,610	2,156,577	10,729,940
	408,472,174	279,734,698	118,007,536	10,729,940
Liabilities:				
Current portion of long term liabilities	22,031,755	22,031,755	-	-
Creditors, accrued and other liabilities	29,808,959	24,960,466	4,848,493	-
Customers' security deposits	49,542,440	-	49,542,440	-
	101,383,154	46,992,221	54,390,933	-
Net Balance	307,089,020	232,742,477	63,616,603	10,729,940
Certificate holders' equity	310,058,973			

	2014			
	Total	Up to one year	Over one to five years	Over five years
..... Rupees				
Assets:				
Cash and bank balances	2,419,130	2,419,130	-	-
Short term investments	962,400	962,400	-	-
Advances, deposits, prepayments and other receivables	14,964,543	14,964,543	-	-
Short term murabaha finances	65,462,388	65,462,388	-	-
Current portion of long term murabaha finances	64,731,690	64,731,690	-	-
Ijarah rental receivables	20,894,929	20,894,929	-	-
Short term diminishing musharakah finances	18,890,560	17,205,228	1,685,332	-
Accrued profit	3,764,103	3,764,103	-	-
Tax refunds due from Government	2,186,408	2,186,408	-	-
Stock in trade	11,056,171	11,056,171	-	-
Long term murabaha finances	36,796,158	-	36,796,158	-
Long term deposits	1,605,562	560,500	1,045,062	-
Long term investments	5,349,297	1,875,000	3,474,297	-
Assets given on Ijarah	155,457,489	64,059,871	91,397,618	-
Assets in own use	13,688,862	747,610	2,211,312	10,729,940
	418,229,690	270,889,971	136,609,779	10,729,940
Liabilities:				
Current portion of long term liabilities	28,427,838	28,427,838	-	-
Creditors, accrued and other liabilities	30,248,280	21,827,066	8,421,214	-
Customers' security deposits	52,870,425	-	52,870,425	-
	111,546,543	50,254,904	61,291,639	-
Net Balance	306,683,147	220,635,067	75,318,140	10,729,940
Certificate holders' equity	306,683,147			

35 FINANCIAL RISK MANAGEMENT

35.1 Financial risk factors

The Modaraba's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Modaraba's overall risk management programmed 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) of the management company, chief operating officer and chief financial officer. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risks: currency risk, profit rate risk and equity price 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.

As at June 30, 2015, the Modaraba is not exposed to currency risk arising from currency exposure as Modaraba is not involved in foreign currency transactions.

(ii) Equity price risk

Equity price risk represents the risk that the fair value of equity investments will fluctuate because of changes in levels of indices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Modaraba is exposed to equity price risk as modaraba hold available for sale and held for trading investments.

Reporting date all index points		2015		2014	
		Changes in KSE all Index	Effects on Profit Before Tax	Effects on Equity	
			34,399		29,653
Available-for-sale investments			-----Rupees-----		
	2015	+10%	-	-	-
		-10%	-	-	-
	2014	+10%	-	534,930	
		+10%	-	(534,930)	
Held-for-trading investments					
	2015	+10%	594,519	-	-
		-10%	(594,519)	-	-
	2014	+10%	96,240	-	-
		-10%	(96,240)	-	-

(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 market Profit rates.

The Modaraba has no significant long-term interest-bearing assets. The Modaraba's mark up/profit rate risk arises from long term Murabaha financing, short term Murabaha financing, short term musharika financing, investments and ijarah.

At the balance sheet date the interest rate profile of the Modaraba's mark up bearing financial instruments was:	Interest Rate %	2015	2014
		-----Rupees-----	
Fixed rate instruments			
Financial assets:			
Short term murabaha finances	18-21	50,726,084	65,462,388
Long term murabaha finances	18-21	104,825,750	101,527,848
Ijarah rental receivables	18-20	21,457,799	20,894,929
Diminishing musharakah finances	25-28	6,601,865	18,890,560
Floating rate instruments			
Financial assets:			
Bank balances - deposit accounts		-	-
Long term investments - available-for-sale		5,875,500	6,219,250

Fair value sensitivity analysis for fixed rate instruments

The Modaraba does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Modaraba.

Cash flow sensitivity analysis for variable rate instruments

If interest rates, at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 70,967 lower / higher (2014: Rupees 100,019). This analysis is prepared assuming the amounts of floating rate instruments outstanding at balance sheet dates were outstanding for the whole year.

(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. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2015	2014
	-----Rupees-----	
Bank balances	827,212	2,419,130
Advances, deposits and other receivables	33,944,255	13,402,095
Short term murabaha finances	50,726,084	65,462,388
Ijarah rental receivables	21,457,799	20,894,929
Short term diminishing musharakah finances	6,601,865	18,890,560
Accrued profit	2,165,534	3,764,103
Long term murabaha finances	104,825,750	101,527,848
Long term deposits	1,780,740	1,605,562
Long term Investments	5,875,500	5,349,297
	<u>228,204,739</u>	<u>233,315,912</u>

Geographically all credit exposure is concentrated in Pakistan.

The maximum exposure to credit risk for receivables (murabaha financing, musharika financing and lease rental receivables) at the reporting date by type of customer was:

Textile Spinning	7,821,552	9,031,328
Textile Composite	19,597,493	26,144,133
Fuel and Energy	3,835,364	15,835,364
Engineering	3,431,036	4,720,963
Transport and communication	275,200	-
Chemical & Pharmaceuticals	2,839,838	11,731,253
Vanaspatic and Allied Industries	18,117,427	18,117,427
Steel	-	1,800,000
Food and Allied	35,138,316	81,463,767
Educational Institutions	18,410,054	8,725,368
Miscellaneous	125,372,865	86,895,645
Books and publications	3,500,000	3,500,000
	<u>238,339,145</u>	<u>267,965,248</u>

The age of murabaha, musharika and lease / ijarah rental receivables and related impairment loss at the balance sheet date was:

Aging of murabaha, musharika and lease / ijarah rental receivables

Not past due	84,728,303	99,335,944
Past due 0 - 180 days	16,212,604	16,213,955
Past due 181 - 365 days	5,961,439	935,472
1 - 2 years	1,530,124	12,887,426
More than 2 years	129,906,675	138,592,451
	<u>238,339,145</u>	<u>267,965,248</u>

Aging of impaired murabaha and lease / ijarah rental receivables

Not past due	-	-
Past due 0 - 180 days	-	-
Past due 181 - 365 days	37,368	-
1 - 2 years	-	500,104
More than 2 years	54,193,020	57,805,310
	<u>54,230,388</u>	<u>58,305,414</u>

Collaterals held against Murabaha financing and Ijarah rentals receivables

	2015				Net exposure
	Collaterals			Net exposure	
	Mortgage	Hypothecation	Liquid-collaterals		
Gross exposure	----- Rupees -----			Net exposure	
Long term murabaha finances	104,825,750	351,194,828	-	-	(246,369,078)
Short term murabaha finances	50,726,084	157,774,364	-	193,909,000	(300,957,280)
Ijarah / lease rental receivables	139,426,280	52,301,308	-	-	87,124,972
Short term diminishing musharakah finances	6,601,865	37,230,000	-	-	(30,628,135)
	2014				Net exposure
	Collaterals			Net exposure	
	Mortgage	Hypothecation	Liquid-collaterals		
Gross exposure	----- Rupees -----			Net exposure	
Long term murabaha finances	101,527,848	322,509,290	-	-	(220,981,442)
Short term murabaha finances	65,462,388	171,572,364	-	91,412,200	(197,522,176)
Ijarah / lease rental receivables	155,457,489	69,448,687	-	-	86,008,802
Short term diminishing musharakah finances	18,890,560	106,260,000	-	-	(87,369,440)

The Modaraba has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Modaraba has internally developed rating criteria to rate its customers which is supplemented by ratings supplied by independent rating agencies where available. The Modaraba also uses other publicly available financial information and its own trading records to rate its customers. The Modaraba's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed annually.

The management monitors and limits Modaraba's exposure to credit risk through monitoring of clients' credit exposure, reviews and conservative estimates of provisions for doubtful receivables, if any, and through the prudent use of collateral policy. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in organizations of sound financial standing covering various industrial sectors and segments.

The credit quality of financial assets 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. The table below shows the bank balances and investments held with some major counterparties at the balance sheet date:

Banks	Rating			2015	2014
	Short term	Long term	Agency	-----Rupees-----	
Bank Alfalah Limited	A1+	AA	PACRA	387	387
The Bank of Punjab	A1+	AA-	PACRA	151,918	390,811
Meezan Bank	A-1+	AA	JCR-VIS	607,129	1,966,344
State Bank of Pakistan				21,813	12,766
Silk Bank	A-2	A-	JCR-VIS	9,651	9,295
				790,898	2,379,603
Available for Sale Securities					
Mari Gas Company Limited - Redeemable Preference Shares		N/A	-	438,540	-
B.R.R Guardian Modaraba - Sukkuks				5,875,500	6,219,250
Held for Trading					
Sui Northern Gas Pipeline Limited		N/A	-	-	453,000
Pakistan Telecommunication Company Limited		N/A	-	512,500	509,400
Mari Petroleum Company Ltd		N/A	-	2,343,000	-
Honda Atlas Car Ltd		N/A	-	218,680	-
Treet Corporation Ltd.		N/A	-	108,225	-
K Electric Ltd.		N/A	-	84,200	-
DG Khan Cement Company Ltd		N/A	-	71,386	-
FF Bin Qasim Ltd		N/A	-	553,200	-
National Investment Trust Limited		N/A	-	2,054,000	-
				5,945,191	962,400

Further the Modaraba's exposure to credit risk and impairment losses related to Investments, Murabaha financing, Ijarah financing, and other receivables is disclosed in Note 6,9,10,11 and 12 respectively.

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

(c) Liquidity risk

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

The Modaraba's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Modaraba's reputation. In spite of the fact that the Modaraba is in a positive working capital position at the year end, management believes the liquidity risk to be low.

The table below analysis the Modaraba's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equates to their carrying balances as the impact of discounting is not significant.

June 30, 2015	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
	(Rupees)				
Customers' security deposits	71,574,195	71,574,195	22,031,755	49,542,440	-
Creditors, accrued and other liabilities	29,808,959	29,808,959	24,960,466	4,848,493	-
	101,383,154	101,383,154	46,992,221	54,390,933	-
June 30, 2014					
Customers' security deposits	81,298,263	81,298,263	28,427,838	52,870,425	-
Creditors, accrued and other liabilities	30,248,280	30,248,280	21,827,066	8,421,214	-
	111,546,543	111,546,543	50,254,904	61,291,639	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup / profit rates effective as at 30 June 2015. The rates of mark up have been disclosed in respective notes to the financial statements.

35.2 Fair values of financial assets and liabilities

All financial assets and financial liabilities are initially recognized at the fair value of consideration paid or received, net of transaction costs as appropriate, and subsequently carried at fair value or amortized cost.

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.

The basis for determining fair values is as follows:

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are fixed rate instruments, there is no significant difference in market rate and the rate of instrument, fair value significantly approximates to carrying value.

Fair value hierarchy

The table below analysis financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

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

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

30 June 2015

Financial assets:

Short term investments

Long term Investments

Total financial assets

Financial liabilities

	Level 1	Level 2	Level 3
	(Rupees)		
5,945,191	-	-	-
-	-	-	6,314,040
5,945,191	-	-	6,314,040
-	-	-	-
-	-	-	-

30 June 2014

Financial assets:

Short term investments

Long term Investments

Total financial assets

Financial liabilities

	Level 1	Level 2	Level 3
	(Rupees)		
962,400	-	-	-
-	-	5,349,297	-
962,400	-	5,349,297	-
-	-	-	-
-	-	-	-

35.3 Financial instruments by categories

As at June 30, 2015

Assets as per balance sheet

Cash and bank balances

Short term investments

Advances, deposits and other receivables

Short term murabaha finances

Diminishing musharakah finances

Ijarah rental receivables

Accrued profit

Tax refunds due from Government

Long term murabaha finances

Long term deposits

Long term Investments

Cash and cash equivalents	Loans and receivables	Available for sale	Held to maturity	Assets at fair value through profit or loss	Total
---------------------------	-----------------------	--------------------	------------------	---	-------

(Rupees)

827,212	-	-	-	-	827,212
-	-	-	-	5,945,191	5,945,191
-	33,944,255	-	-	-	33,944,255
-	50,726,084	-	-	-	50,726,084
-	6,601,865	-	-	-	6,601,865
-	21,457,799	-	-	-	21,457,799
-	2,165,534	-	-	-	2,165,534
-	3,008,734	-	-	-	3,008,734
-	104,825,750	-	-	-	104,825,750
-	1,780,740	-	-	-	1,780,740
-	-	6,314,040	-	-	6,314,040
827,212	224,510,761	6,314,040	-	5,945,191	237,597,204

Financial liabilities at amortized cost (Rupees)

Liabilities as per balance sheet

Customers' security deposits

Creditors, accrued and other liabilities

71,574,195
29,808,959
101,383,154

Cash and cash equivalents	Loans and receivables	Available for sale	Held to maturity	Assets at fair value through profit or loss	Total
---------------------------	-----------------------	--------------------	------------------	---	-------

(Rupees)

As at June 30, 2014

Assets as per balance sheet

Cash and bank balances

Short term investments

Advances, deposits and other receivables

Short term murabaha finances

Short term diminishing musharakah finances

Ijarah rental receivables

Accrued profit

Tax refunds due from government

Long term murabaha finances

Long term deposits

Long term Investments

2,419,130	-	-	-	-	2,419,130
-	-	-	-	962,400	962,400
-	13,402,095	-	-	-	13,402,095
-	65,462,388	-	-	-	65,462,388
-	18,890,560	-	-	-	18,890,560
-	20,894,929	-	-	-	20,894,929
-	3,764,103	-	-	-	3,764,103
-	2,186,408	-	-	-	2,186,408
-	101,527,848	-	-	-	101,527,848
-	1,605,562	-	-	-	1,605,562
-	-	5,349,297	-	-	5,349,297
2,419,130	227,733,893	5,349,297	-	962,400	236,464,720

Financial liabilities at amortized cost (Rupees)

Liabilities as per balance sheet

Customers' security deposits

Creditors, accrued and other liabilities

81,298,263
30,248,280
111,546,543

35.4 Capital risk management

The Modaraba's objectives when managing capital are to safeguard the Modaraba's ability to continue as a going concern in order to provide return for certificate holders and benefits for other stakeholders and to maintain healthier capital ratios in order to support its business and maximize certificate holders value. The Modaraba manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Modaraba may adjust dividend payments to the shareholders, return on capital to certificate holders or issue new shares.

No changes were made in the objectives, policies or processes from the previous year. The modaraba monitors capital using gearing ratio, which is debt divided by equity plus debt. Debt represent loans, customer security deposits, creditors ,accrued and other liabilities, less cash and cash equivalents of Modaraba. Total capital employed includes 'total equity' as shown in the balance sheet plus debt.

The gearing ratio as at year end is as follows:

Note	2015	2014	
	-----Rupees-----		
Customers' security deposits	19	71,574,195	81,298,263
Creditors, accrued and other liabilities	20	29,808,959	30,248,280
Less: Cash and bank balances	5	(827,212)	(2,419,130)
Net debt		100,555,942	109,127,413
Equity		310,058,973	306,683,147
Capital and net debt		410,614,915	415,810,560
Gearing ratio		24.49%	26.24%

36 RELATED PARTY TRANSACTIONS

Related parties of the Modaraba include the Modaraba management company [Al-Zamin Modaraba Management (Private) Limited], directors of Al-Zamin Modaraba Management (Private) Limited, employees provident fund and key management personnel. Transactions with related parties are given below:

Nature of Relationship	Nature of Transaction	2015	2014
		-----Rupees-----	
Modaraba Management Company	Management fee	1,933,986	2,247,685
Employees' Provident Fund	Contributions paid	518,880	423,656

Transactions with key management personnel under terms of employment are excluded from related party transactions.

37 NUMBER OF EMPLOYEES

Average number of employees during the year	20	20
Number of employees as at June 30	21	19

38 CORRESPONDING FIGURES

Corresponding figures have been rearranged and restated for better presentation wherever necessary. Significant reclassification made are as follows:

From	To	Reason	Amount (Rupees)
Depreciation on owned assets	Amortization on computer software	For better presentation	394,166
Other charges	Administrative expenses	For better presentation	1,873,948

39 NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on October 2nd, 2015, have approved dividend for the year ended June 30, 2015 @4.25% (2014: 5%)

40 DATE OF AUTHORIZATION

These financial statements were approved for issue by the Board of Directors of the Management company in their meeting held on October 2nd, 2015.

41 GENERAL

Figures have been rounded off to nearest rupee unless otherwise provided.



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Pattern Of Certificate Holding

As on 30 June 2015

Number of Certificate Holders	Certificate Holding From	To	Total Certificate	Percentage Held
551	1	100	27,655	0.09
912	101	500	261,820	0.88
641	501	1000	560,224	1.88
299	1001	5000	706,872	2.37
59	5001	10000	453,610	1.52
15	10001	15000	186,818	0.63
11	15001	20000	194,608	0.65
5	20001	25000	113,907	0.38
4	25001	30000	111,004	0.37
1	30001	35000	32,000	0.11
3	35001	40000	114,550	0.38
1	45001	50000	45,174	0.15
1	50001	55000	52,000	0.17
2	60001	65000	127,000	0.43
1	65001	70000	67,740	0.23
1	70001	75000	75,000	0.25
1	75001	80000	78,382	0.26
1	95001	100000	99,500	0.33
1	100001	105000	102,322	0.34
1	110001	115000	115,000	0.39
1	115001	120000	118,100	0.40
1	180001	185000	181,230	0.61
1	290001	295000	291,200	0.98
1	340001	345000	344,500	1.16
1	395001	400000	396,000	1.33
1	455001	460000	455,500	1.53
1	545001	550000	548,000	1.84
1	1255001	1260000	1,258,896	4.22
1	1615001	1620000	1,620,000	5.44
1	5260001	5265000	5,261,388	17.66
1	15795001	15800000	15,800,000	53.02
2522			29,800,000	100.00

CATEGORIES OF CERTIFICATEHOLDERS AS AT JUNE 2015

Categories of Certificateholders	Number of Certificate Holders	Total Certificates Held	Percentage
Associated companies, undertakings and related parties			
Al-Zamin Modaraba Management (Private) Limited	1	5,261,388	17.66
Investment Corporation of Pakistan	1	11,500	0.04
Directors, CEO & their spouse and minor children			
Executives	-	-	-
Public sector companies and Corporations	-	-	-
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarabas and Mutual Funds	19	3,197,636	10.73
Joint Stock Companies	24	105,363	0.35
Individuals	2,469	21,137,613	70.93
Others	8	86,500	0.29
Total	2,522	29,800,000	100.00

Certificateholders holding ten percent or more certificate in the Modaraba

Al-Zamin Modaraba Management (Pvt.) LTD.	1	5,261,388	17.66
Mohammad Aslam Motiwala	1	16,348,000	54.86



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