



Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (Private) Limited.

HALF YEARLY REPORT

December 31, 2021

Contents

- 3 CORPORATE INFORMATION**
- 4 DIRECTOR'S REPORT**
- 5 DIRECTOR'S REPORT (URDU)**
- 6 REPORT OF SHARIAH ADVISOR**
- 7 INDEPENDENT AUDITOR'S REPORT**
- 8 INTERIM CONDENSED BALANCE SHEET**
- 9 INTERIM CONDENSED PROFIT AND LOSS**
- 10 INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**
- 11 INTERIM CONDENSED CASH FLOW STATEMENT**
- 12 INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**
- 13 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

CORPORATE INFORMATION

Modaraba Company

Al-Zamin Modaraba Management (Private) Limited

Board of Directors

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

Management

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

Audit Committee

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

Human Resource Committee

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

Internal Auditors

UHY Hassan Naeem & Co.
Chartered Accountants

Auditors of the Modaraba

Grant Thornton Anjum Rahman.
Chartered Accountants

Banker

Meezan Bank Limited

Legal Advisors

Holscott International
S&B Durrani Law Associates

Registered Office/Principal Place of Business

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

Regional Office

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

Registrars

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

DIRECTORS REPORT

The Directors of Al-Zamin Modaraba Management (Private) Limited are pleased to present the financial statements of Trust Modaraba for the half year ended on 31st December, 2021. External Auditors of the Modaraba have conducted limited scope review of these financial statements as per the requirements of the Code of Corporate Governance.

ECONOMIC REVIEW

Pakistan achieved a decent economic growth in the previous year despite numerous risks and threats posed by Covid 19 and its subsequent variants surfacing one after another. Much goes to the credit of well-coordinated vaccination campaign, pandemic containment strategies, extension of social protection through Ehsaas program to ensure inclusive and sustainable growth. As business activity gradually resumes and the fiscal and monetary incentives and policies announced by the Government to encourage exports, enhance performance of manufacturing sector, augment private sector investment are mobilized, prospects of achieving projected growth targets appear promising. The continued roll out of Covid 19 vaccination program, structural reforms, expansion of social protection program are all key to ensuring sustainable economic growth. The current issues of increasing inflation primarily due to escalating oil prices globally, political differences and the consequential effects are already impacting the economy which will need to be seriously addressed by the stakeholders.

PERFORMANCE REVIEW

Operating performance of your Modaraba during the half year ended on 31st December, 2021 remained strong as all the Key Performance Indicators registered impressive growth as compared to the previous comparable period. Comparative financial highlights are summarized as under:

HALF YEAR ENDED ON 31ST DECEMBER	2021	2020
Total Income (Rs)	61,917,561	21,832,312
Profit before Management Fee (Rs)	21,003,526	9,157,919
Management Fee (Rs)	2,100,353	915,792
Workers Welfare Fund (Rs)	378,063	164,843
Profit before Tax	18,525,110	8,077,484
Tax (Rs)	3,879,416	127,950
Profit After Tax (Rs)	14,645,694	7,949,334
Net Profit Margin	23.65%	36.40%
Return on Equity	4.5%	2.5%

The Modaraba's income during the six months period of the current financial year stood at Rs.61.92 million registering an exceptional almost three folds increase as compared to the previous year. Gain on settlement of Rs.37.00 million achieved through resolution of a long outstanding receivable contributed significantly to the income of the Modaraba during the period under review. Consequently, profit before management fee stood at Rs.21 million as compared to Rs.9.16 million of the previous period. In line with our prudent portfolio management practice, provision of Rs.10 million was recorded in the books of accounts for doubtful receivables. Unrealized loss of Rs.9.90 million was also booked in the accounts due to depreciation in the market value of equity portfolio. Administrative and operating expenses increased by 26.5% mainly due to increase in the fee and subscription paid to the regulatory authorities and staff costs in line with the market. After accounting for all the expenses and provisions, net profit after tax was recorded at Rs.14.65 million for the period under review as compared to Rs.7.95 million for the previous comparable period translating into an increase of 84% over the previous half year. Consequent to healthy increase in profits, certificate holders equity also enhanced to Rs.326.76 million as at 31st December, 2021 from Rs.315.61 million of the preceding comparative period.

During the period under review, your Modaraba booked fresh disbursements of Rs.134.52 million as compared to Rs.60.62 million of the previous comparable period. The asset portfolio developed is a well balance combination of corporates, high net worth individuals and SMEs. Significant recoveries from the legacy portfolio in litigation were also achieved which provided much need support to the liquidity of the Modaraba. Aggressive follow up for other cases is also being maintained to realize the amounts stuck up in litigation to augment business and profitability of the Modaraba.

EARNING PER CERTIFICATE

Earning per certificate of your Modaraba has increased to Rs.0.49 as at 31st December, 2021 as compared to Rs.0.27 for the previous corresponding period.

Your management is fully committed to achieve further growth in the operations of the Modaraba for the benefit of all the stakeholders.

For and on behalf of Trust Modaraba



DIRECTOR



CHIEF EXECUTIVE

23rd February, 2022.

ڈائریکٹرز کی رپورٹ

الضامن مضار پبلیشمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز ہر سٹ مضارہ کی 31 دسمبر 2021 کو اختتام پذیر شدہ سالانہ مالیاتی دستاویزات پیش کرتے ہوئے خوش محسوس کرتے ہیں۔ اداراتی اہم و ضبط کے سوا باہر کی قیمتوں کے تناظر میں، بیرونی مناسبات اور دستاویزات کا محدود پیمانے پر جائزہ لے چکے ہیں۔

معاشی جائزہ

گذشتہ سال کووڈ-19 کی وجہ سے اور اس کے بعد یکے بعد دیگرے سرائے والے ویرینٹس (variants) سے پیدا ہونے والے متعدد خوف اور خطرات کے باوجود متحدہ پاکستان نے مناسب معاشی نمو حاصل کی ہے۔ اس کا زیادہ تر سہرا یوں و کمپنیوں لگانے کی ہم، عالمی وبا کی روک تھام کی حکمت عملیاں اور احساس پروگرام کے ذریعے معاشی تحفظ کی توسیع کو جانتا ہے تاکہ وہ پچھلے چھ ماہ کا طے اور تسلسل سے نمو حاصل کرے۔ کاروباری سرگرمیاں بے تدریج بحال ہوئیں اور برآمدات کی حوصلہ افزائی، پیشی پیداواری (manufacturing) سیکٹور کی کارکردگی میں اضافہ، نجی شعبے کی سرمایہ کاری میں اضافہ کے سلسلے میں حکومت کی اعلان کردہ اقتصادی اور مالیاتی ترغیبات اور پالیسیوں سے امکان ہے کہ نمو کے اہداف کے تخمینے کے حصول کی امید نظر آتی ہے۔ کووڈ-19 کی ویکٹین لگوانے کے پروگرام کا تسلسل، ڈیجیٹائزیشن اور سماجی تحفظ کو پروگرام میں توسیع جیسے اقدامات تسلسل سے جاری رہنے والی معاشی نمو کے لیے بنیادی اہمیت کے نکات ہیں۔ موجودہ برہمنی ہوئی افراط زر کا مسئلہ ہے وہ بنیادی طور پر دنیا بھر میں تیل کی برہمنی ہوئی قیمتیں، سیاسی اختلافات ہیں جو پیشہ میں معیشت کو متاثر کر رہے ہیں۔ جس کو تمام شرکاء مفاد کی پیروی کے ساتھ درستی سے دیکھنا چاہیے۔

کارکردگی کا جائزہ

گذشتہ سال اسی مدت کے مقابلے میں 31 دسمبر 2022 پر اختتام پذیر نصف سال میں آپ کے مضارہ کی آپریٹنگ کارکردگی مضبوط رہی کیونکہ بنیادی کارکردگی کے تمام اشاروں نے متاثر کن اضافہ دکھایا ہے۔ تقابلی مالیاتی ٹھیکوں کا خلا صد درج ذیل ہے۔

2020	2021	31 دسمبر پر اختتام پذیر نصف سال
21,832,312	61,917,561	کل آمدنی (روپے)
9,157,919	21,003,526	منافع قبل از منجمنٹ فیس (روپے)
915,792	2,100,353	منجمنٹ فیس (روپے)
164,843	378,063	ورکرز ویلفیئر فنڈ (روپے)
8,077,284	18,525,110	منافع قبل از محصول (روپے)
127,950	3,879,416	محصول (روپے)
7,949,334	14,645,694	منافع بعد از محصول (روپے)
36.40%	23.65%	خالص منافع کا مارجن
2.5%	4.5%	ملکیتی سرمایہ پر آمدنی


جاری مالی سال کے چھ ماہ کے دوران آپ کے مضارہ کی آمدنی 61.92 ملین روپے رہی جس میں گذشتہ سال کے مقابلے میں غیر معمولی تین گنا اضافہ ہوا۔ زیر جائزہ مدت کے دوران تصنیے سے ویرید قابل وصول 37 ملین روپے حاصل ہوئے جس کا مضارہ کی آمدنی میں خاص حصہ ہے۔ نتیجتاً منافع قبل از منجمنٹ فیس 21 ملین روپے رہا جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت میں اس کی مالیت 9.16 ملین روپے تھی۔ اپنی پانچ ماہ پورٹ فولیو منجمنٹ پرکٹس کے تحت، شٹلک قابل وصول کھاتوں کی مدد میں 10 ملین روپے اکاؤنٹس کی کتابوں میں منتقل کیے ہیں۔ ملکیتی سرمایہ کے پورٹ فولیو کی مارکیٹ میں قدر میں فروشی (depreciation) کے سبب ہونے والے 9.90 ملین روپے کے غیر حقیقی (Unrealized) نقصان کا بھی اکاؤنٹس کی کھاتوں میں اندراج کیا ہے۔ انتظامی اور آپریٹنگ اخراجات 26.5 فیصد بڑھے جس کی بنیادی وجہ ریویو لیوری اتھارٹیز کی فیس اور سکرپٹس میں اضافہ اور مارکیٹ کے مطابق عمل کی لاگت ہیں۔ زیر جائزہ مدت کے دوران، اخراجات اور نقصانات (provisions) کے حساب کتاب کے بعد 14.65 ملین روپے کے خالص منافع بعد از محصول کا اندراج کیا گیا ہے جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت میں اس کی مالیت 7.95 ملین روپے تھی جس کا نتیجہ گذشتہ نصف سال کے مقابلے میں 84 فیصد اضافہ رہا۔ نتیجتاً منافع میں صحت مند اضافہ اور سرٹیفیکٹ کنندگان کے ملکیتی سرمایہ 31 دسمبر 2021 میں بڑھ کر 326.74 ملین روپے جبکہ گذشتہ سال اسی مدت میں اس کی مالیت 315.61 ملین روپے تھی۔

جائزہ مدت کے دوران، آپ کے مضارہ بے 134.52 ملین روپے کی نئی ادائیگیاں کیں جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت کے دوران 60.62 ملین روپے کی ادائیگیاں کی گئیں تھیں۔ اثاثہ جات پورٹ فولیو کو سب سے زیادہ جو اداراتی (corporates)، بلند نفع قدر رکھنے والے افراد اور SMEs کا ایک متنوع مزاج ہے۔ مقدمہ بازی کا شکار پورٹ فولیو کے ورثہ سے بھی وصولیائی کی گئیں جس سے مضارہ کی سیالیت (liquidity) میں بہتری میں مطلوبہ معاونت کی۔ دیگر گھبر کر کاراجا جائزہ جاری رکھا ہوا ہے تاکہ اس بات کو سمجھایا جائے کہ مقدمہ بازی میں پیشی ہوئی رقم مضارہ کے کاروبار اور منافع بخشی میں اضافہ کر سکتی ہے۔

آمدنی فی سرٹیفیکٹ

31 دسمبر 2021 پر اختتام پذیر شدہ سالانہ مضارہ کی آمدنی فی سرٹیفیکٹ بڑھ کر 0.49 روپے فی سرٹیفیکٹ رہی اور اس کے مقابلے میں گذشتہ سال کی اسی مدت میں 0.27 روپے فی سرٹیفیکٹ تھی۔ آپ کی انتظامیہ تمام شرکاء مفاد کا پیمانے کے لیے پوری طرح پرعزم ہے کہ مضارہ کے آپریٹس میں مزید ترقی اور اضافہ ہو۔

بورڈ آف ڈائریکٹرز کی جانب سے


چیف ڈائریکٹر

کرچی،

23 فروری 2022

REPORT OF SHARIAH ADVISOR

I have conducted Shariah Review of Trust Modaraba managed by Al-Zamin Modaraba Management (Private) Limited for the half year ended December 31, 2021 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: February 23rd, 2022.

Muhammad Zubair Usmani

Jamia Daul Uloom Karachi

INDEPENDENT AUDITORS' REVIEW REPORT TO THE CERTIFICATE HOLDERS OF TRUST MODARABA

Introduction

We have reviewed the accompanying condensed interim balance sheet of Trust Modaraba (the Modaraba) as at December 31, 2021 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity, and notes to the financial statements for the half year then ended (here-in-after referred to as "the condensed interim financial statements"). The Modaraba Management Company [Al Zamin Modaraba Management (Private) Limited] is responsible for the preparation and presentation of the interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

We draw attention to note 11.2.2.1 to the condensed interim financial statements for the period ended December 31, 2021, which inter alia states the details of land which is not in the possession of the Modaraba. Our report is not modified in respect of this matter.

Other Matter

1. The financial statements of Trust Modaraba for the year ended June 30, 2021 were audited by another auditor who issued an unmodified report on those financial statements on September 16, 2021.
2. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three month's period ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six month's period ended December 31, 2021.

The engagement partner on the review resulting in this independent auditors' review report is Muhammad Shaukat Naseeb.

Grant Thornton Anjum Rahman

Chartered Accountants

Date: February 23rd, 2022.

Karachi

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2021

(Un-audited)
December 31,
2021

(Audited)
June 30,
2021

ASSETS	Note	Rupees	
Current Assets			
Cash and bank balances		8,061,300	5,394,699
Short term investments	4	34,843,701	26,057,529
Advances, deposits, prepayments and other receivables	5	13,618,794	23,568,097
Short term murabaha finances	6	37,272,383	41,750,837
Ijarah rental receivables	7	4,228,932	16,549,899
Current portion of long term murabaha finances	8	77,304,091	77,841,930
Short term musharakah finances (secured - considered good)		23,435,650	26,792,292
Current portion of long term diminishing musharakah finances		580,110	651,731
Deferred taxation	10	11,461,350	-
Income tax refunds due from the Government		-	4,777,383
Stock in trade		110,462	429,561
Total Current Assets		210,916,773	223,813,958
Non-Current Assets			
Murabaha finances	8	25,087,232	13,175,768
Diminishing musharakah finances		-	241,302
Deposits		707,962	707,962
Investments	9	7,930,940	10,515,018
Investment properties		8,571,450	22,274,000
Fixed assets	11	157,756,129	108,082,311
Total Non-Current Assets		200,053,713	154,996,361
Total Assets		410,970,486	378,810,319
LIABILITIES			
Current Liabilities			
Current portion of customers' security deposits		9,116,500	8,330,765
Current portion of deferred income on murabaha		6,785,788	5,143,468
Unclaimed dividends		12,835,138	12,889,720
Income tax payable		8,701,739	-
Creditors, accrued and other liabilities	12	4,708,033	3,742,653
Total Current Liabilities		42,147,198	30,106,606
Non-Current Liabilities			
Deferred income on murabaha		3,386,800	1,746,246
Customers' security deposits		38,679,704	31,345,731
Total Non-Current Liabilities		42,066,504	33,091,977
Total Liabilities		84,213,702	63,198,583
NET ASSETS			
		326,756,784	315,611,736
REPRESENTED BY			
CAPITAL AND RESERVES			
Authorized certificate capital			
50,000,000 (June 30, 2021: 50,000,000) Modaraba		500,000,000	500,000,000
Certificates of Rs. 10 each			
Issued, subscribed and paid-up capital		298,000,000	298,000,000
Revenue reserves		(48,984,141)	(63,629,835)
Capital reserves		81,512,797	83,969,997
Total Equity		330,528,656	318,340,162
Unrealized loss on revaluation of investments	13	(3,771,872)	(2,728,426)
		326,756,784	315,611,736
Contingencies and commitments	14		

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

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



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Note	Half Year Ended December 31,		Quarter Year Ended December 31,	
		2021	2020	2021	2020
		-----Rupees-----			
Income from ijarah	15	8,821,909	4,504,634	3,456,264	2,657,089
Profit on murabaha finances		5,669,205	5,253,166	2,663,090	3,233,788
Profit on musharakah finances		3,408,562	3,302,870	1,553,778	1,814,142
Income from investments - net	16	547,755	5,370,841	(272,792)	1,858,542
Other income	17	43,470,130	3,400,801	5,819,468	3,282,765
		61,917,561	21,832,312	13,219,808	12,846,326
(Provision) / Reversal of provision against assets		(10,010,482)	-	100,000	-
Bad debts written off		(1,072,849)	-	(753,750)	-
Unrealized (loss)/ gain on revaluation of financial assets carried at fair value through profit or loss		(9,906,233)	3,082,092	(2,098,177)	878,133
		40,927,997	24,914,404	10,467,881	13,724,459
Operating expenses	18	(19,924,471)	(15,756,485)	(8,183,814)	(8,158,292)
		21,003,526	9,157,919	2,284,067	5,566,167
Provision for Sindh worker's welfare Fund		(378,063)	(164,843)	(41,113)	(100,191)
Remuneration for Modaraba Management Company		(2,100,353)	(915,792)	(228,407)	(556,617)
Profit before taxation		18,525,110	8,077,284	2,014,547	4,909,359
Taxation		(3,879,416)	(127,950)	(950,839)	(114,450)
Net profit for the period		14,645,694	7,949,334	1,063,708	4,794,909
Earnings per Certificate - Basic and Diluted		0.49	0.27	0.04	0.16

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

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


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED

DECEMBER 31, 2021

	Half Year Ended December 31,		Quarter Year Ended December 31,	
	2021	2020	2021	2020
	-----Rupees-----			
Net profit for the period	14,645,694	7,949,334	1,063,708	4,794,909
Other Comprehensive Income:				
Items that may be reclassified subsequently to profit and loss account	-	-	-	-
Items that will not be reclassified to profit and loss account				
Unrealized (loss) / gain on financial asset carried at fair value through other comprehensive income	(2,584,070)	1,170,599	(1,311,510)	(825,673)
Deferred tax	1,540,624			
Other comprehensive (loss) / income for the period	(1,043,446)	1,170,599	(1,311,510)	(825,673)
Total Comprehensive Income for the Period	13,602,248	9,119,933	(247,802)	3,969,236

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

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


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		December 31,	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	Note	-----Rupees-----	
Cash generated from operations	19	70,822,788	19,640,330
<i>(Increase) / decrease in non-current assets:</i>			
- Long term murabaha finances		(11,373,625)	(9,351,820)
- Long term musharakah finances		312,923	309,397
<i>Increase / (decrease) in non-current liabilities:</i>			
- Deferred income on murabaha		3,282,874	2,669,486
Purchase of ijarah assets		(84,526,939)	(25,717,034)
Receipts of customers' security deposits		18,942,023	7,200,829
Proceeds from disposal of ijarah assets		14,553,415	5,953,989
Income tax paid / deducted		(321,020)	(190,899)
Net cash generated from operating activities		11,692,439	514,278
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of owned assets		(576,400)	(376,900)
Proceeds from disposal of owned assets		313,312	8,998
Proceeds from disposal of investment properties		9,436,474	-
(Purchase) / disposal of investments - net		(19,627,892)	2,743,244
Long term deposits		-	(360,000)
Dividends received		1,483,250	759,077
Net cash generated (used in) / from investing activities		(8,971,256)	2,774,419
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment made against lease liability		-	(141,849)
Profit distributed to certificate holders		(54,582)	-
Net cash used in financing activities		(54,582)	(141,849)
Net increase in cash and cash equivalents		2,666,601	3,146,848
Cash and cash equivalents at the beginning of the period		5,394,699	8,093,386
Cash and Cash Equivalents at the End of the Period		8,061,300	11,240,234

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements

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


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Particulars	Certificate Capital	Capital Reserves			Total	Revenue Reserves	Total Equity
		Statutory Reserve	Surplus on Revaluation of Fixed Assets	Unrealized Loss on Revaluation of Investments			
Balance as at June 30, 2020 - as previously reported	298,000,000	80,191,484	2,457,200	(4,867,878)	77,780,806	(68,915,088)	306,865,718
Impact of restatement	-	-	-	4,867,878	4,867,878	-	4,867,878
Balance as at June 30, 2020 - as restated (Audited)	298,000,000	80,191,484	2,457,200	-	82,648,684	(68,915,088)	311,733,596
Net profit for the period	-	-	-	-	-	7,949,334	7,949,334
Other comprehensive income for the period	-	-	1,170,599	1,170,599	1,170,599	-	1,170,599
Total comprehensive income for half year ended December 31, 2020	-	-	-	1,170,599	1,170,599	7,949,334	9,119,933
Balance as at December 31, 2020 -as previously reported (Unaudited)	298,000,000	80,191,484	2,457,200	(3,697,279)	78,951,405	(60,965,754)	315,985,651
Impact of restatement	-	-	-	3,697,279	3,697,279	-	3,697,279
Balance as at December 31, 2020 - as restated (Audited)	298,000,000	80,191,484	2,457,200	-	82,648,684	(60,965,754)	319,682,930
Balance as at June 30, 2021	298,000,000	81,512,797	2,457,200	-	83,969,997	(63,629,835)	318,340,162
Net profit for the period	-	-	(2,457,200)	-	(2,457,200)	14,645,694	14,645,694
Other comprehensive income for the period	-	-	(2,457,200)	-	(2,457,200)	-	(2,457,200)
Total comprehensive (loss)/income for half year ended December 31, 2021	-	-	(2,457,200)	-	(2,457,200)	14,645,694	12,188,494
Balance as at December 31, 2021 (Unaudited)	298,000,000	81,512,797	-	-	81,512,797	(48,984,141)	330,528,656

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


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



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1. Legal Status and Nature of Business

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

The principal place of business and registered office is located at 104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi - 75600 while regional offices are located at 301-320, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore.

The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharakahs, Ijarah, investment in marketable securities, trading and other permissible businesses. The affairs, activities and transactions performed by the modaraba during the period comply with the rules and principles of Islamic Shariah in accordance with the guidelines and directives given by the Shariah advisor, Registrar (Modaraba) and the Securities & Exchange Commission of Pakistan.

2. Basis of Preparation

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017, Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan (hereinafter referred to as the relevant laws).

Where the provisions of relevant laws differ with the requirements of IAS 34, IFASs and Companies act, 2017, the provisions of and directives of relevant laws have been followed.

2.2 These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2021. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2021 whereas comparative profit and loss account, comparative statement of comprehensive income, comparative cash flows statement and comparative statement of changes in equity are extracted from unaudited interim financial statements for the half year ended December 31, 2020.

2.3 These condensed interim financial statements are unaudited; however, a limited scope review has been performed by the external auditors as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019.

2.4 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgments in application of the Modaraba's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Modaraba's accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the annual published audited financial statements for the year ended June 30, 2021.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

2.5 Functional and presentation currency

These condensed interim un-audited financial statements are presented in Pak Rupees, which is the Modaraba's functional and presentational currency. All the figures have been rounded off to the nearest rupees, unless otherwise stated.

3. Significant accounting policies

The Modaraba's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim un-audited financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Modaraba for the year ended June 30, 2021.

3.1 Standards, Amendments And Interpretations to approved accounting standards

There are certain adoptions, amendments and interpretations with respect to the approved accounting standards that are not yet effective and are not expected to have any material impact on the Company's condensed interim financial statements in the period of initial application. Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company. The following amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

3.1.1 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

New or Revised Standard or Interpretation

Effective date (annual periods beginning on or after)

Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021
IFRS 16 'Covid-19-Related Rent Concessions beyond 30 June 2021'	April 1, 2021

3.1.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation

Effective date (annual periods beginning on or after)

Annual improvements to IFRSs 2018 - 2020 Cycle	January 1, 2022
IFRS 3 References to Conceptual Framework	January 1, 2022
IAS 16 Proceeds before intended use	January 1, 2022
IAS 37 Onerous Contracts- Cost of Fulfilling a contract	January 1, 2022
IFRS 9 Financial Instruments	June 30, 2022
IAS 1 Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	-----Rupees-----	
4. Short Term Investments			
NIT Islamic Unit Fund		476,285	540,868
Shares of listed companies	4.1	34,367,416	25,516,661
		34,843,701	26,057,529

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

Financial assets carried at fair value through profit or loss

Shares of Listed Companies

Number of shares		Name of Investee	December 31, 2021		June 30, 2021	
Dec-21	Jun-21		Average Cost	Market Value	Average Cost	Market Value
-----Rupees-----						
10,000	3,000	Attock Refinery Limited	2,149,506	1,440,300	786,867	769,350
80,000	80,000	Fauji Cement Co. Ltd.	2,173,016	1,469,600	2,173,016	1,840,000
22,500	10,000	D.G. Khan Cement Co. Ltd.	2,525,849	1,866,150	1,267,186	1,179,200
-	90,000	Byco Petroleum Pak Ltd	-	-	1,521,156	1,044,900
120,000	120,000	Hascal Petroleum Ltd.	1,622,511	745,200	1,622,511	1,071,600
-	35,000	Pakistan Petroleum Ltd.	-	-	3,324,124	3,039,050
32,500	33,000	Shell Pakistan Ltd.	6,543,373	3,938,675	6,883,339	5,781,600
25,000	20,000	Sui Southern Gas Co. Ltd.	346,570	232,250	279,856	266,000
5,154	5,154	Dawood Hercules Corp Ltd	686,386	492,310	686,386	592,813
19,000	18,500	Descon Oxychem Ltd.	625,949	437,000	615,106	496,540
3,000	1,000	Meezan Bank Ltd.	434,880	402,330	111,991	115,410
30,000	30,000	Nishat Mills Limited	3,151,994	2,387,400	3,151,994	2,799,000
11,000	3,000	National Refinery Ltd.	4,896,514	3,130,490	1,605,303	1,569,570
21,000	6,500	Netsol Technologies Ltd.	2,993,663	1,971,060	1,169,556	1,104,870
23,000	18,000	Oil & Gas Development Co.	2,311,883	1,982,600	1,838,561	1,710,540
25,000	25,000	PTCL	338,570	217,500	338,570	296,000
54,053	30,000	Unity Foods Ltd	1,809,116	1,200,746	1,385,967	1,335,588
-	3,000	Sazgar Engineering Works Ltd.	-	-	532,946	504,630
13,000	-	Century Paper & Board Mills	1,282,273	1,028,300	-	-
20,000	-	Engro Polymer & Chem. Ltd.	1,200,484	1,084,200	-	-
1,500	-	Engro Corporation Limited	417,091	408,630	-	-
35,000	-	Pakistan Petroleum Limited	3,324,124	2,766,400	-	-
2,000	-	Pakistan Oil Fields Limited	752,232	715,240	-	-
5,000	-	Pakistan State Oil	1,016,557	909,450	-	-
90,000	-	Cenergyco Pk Limited	1,521,156	612,900	-	-
8,000	-	Avanceon Limited	931,244	728,960	-	-
16,000	-	The Hub Power Co. Ltd.	1,241,979	1,141,440	-	-
3,000	-	Frieslandcampins Engro Foods Limited (formerly Engro Foods Limited)	344,626	254,190	-	-
2,700	-	Lucky Cement Limited	2,049,263	1,834,056	-	-
29,000	-	Sui Northern Gas Pipelines Ltd.	1,296,030	970,039	-	-
			47,986,839	34,367,416	29,294,435	25,516,661

4.2 Scrips of DAWH (Dawood Hercules Corporation Limited) were Shariah compliant in prior years. Subsequently, it was removed from the list of Shariah Compliant companies issued by PSX. All gains on scrips of DAWH are given under the charity. Scrips of DAWH shall be disposed of as soon as the price reaches to par value.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	-----Rupees-----
5. Advances, Deposits, Prepayments and Other Receivables		
Loans to / receivable from employees - considered good	180,000	302,502
Current portion of long term deposits	227,400	227,400
Prepayments	2,120,476	4,437,498
Accrued profit (secured - considered good)	2,125,020	1,019,939
Advances to suppliers - considered good	1,515,500	5,030,500
Trade receivables - (secured - considered good)	-	7,964,773
Legal suits' charges receivable (secured - considered good)	1,896,952	2,808,702
Receivable against sale of property	2,860,000	-
Sundry receivables (unsecured - considered good)	2,693,446	1,776,783
	13,618,794	23,568,097
5.1 Trade receivables - considered doubtful		
Gross amount	5,700,071	8,431,038
Provision for trade receivable	(5,700,071)	(466,265)
	-	7,964,773
5.2 Legal suits' charges receivable		
Gross amount	2,120,352	3,465,652
Provision for legal charges receivable	(223,400)	(656,950)
	1,896,952	2,808,702
6. Short Term Murabaha Finances - Secured		
Considered good	9,003,775	10,471,818
Considered doubtful:		
- Regular parties	-	4,036,596
- Parties under litigation	39,679,019	35,642,423
- Suspended income	-	-
	39,679,019	39,679,019
Provision for classified receivables under Prudential Regulations for Modarabas	(11,410,411)	(8,400,000)
	37,272,383	41,750,837
6.1 These represent receivables from 3 (June 30, 2021: 3) customers under Murabaha finance. Legal proceedings against these customers are in process in the Honourable Courts of Law. Furthermore, the Honourable Court has awarded decree in favour of Modaraba in 3 (June 30, 2021: 3) cases for recovery of Rs. 44.021 million (June 30, 2021: Rs. 44.021 million), while execution petitions for these cases are pending.		
6.2 Provision for classified receivables:		
Opening balance	8,400,000	28,700,300
Written off during the period / year	-	(20,300,300)
Provision during the period	3,010,411	-
Closing balances	11,410,411	8,400,000
6.2.1 These provision are made after taking into account the forced sale value (FSV) of collaterals kept by the modaraba which amounts to Rs. 28.268 millions (June 30, 2021: Rs. 31.279 millions) against doubtful receivables.		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	-----Rupees-----	
7. Ijarah Rental Receivables - Secured			
Considered good		299,246	2,583,809
Considered doubtful			
- Parties under litigation		4,799,940	17,503,284
Suspended ijarah income - considered doubtful	7.2	(870,254)	(3,537,194)
Provision for doubtful ijarah rental receivables	7.3	-	-
		4,228,932	16,549,899
7.1			
These are secured against ijarah assets and personal guarantees. In some ijarahs, additional collateral is also obtained in the form of mortgaged property. The Modaraba is entitled to repossess and sell the ijarah assets in case of default by the customers.			
7.2 Suspended ijarah income - considered doubtful			
Opening balance		3,537,194	17,900,639
Recovery during the period		(2,691,660)	-
Suspension made during the year		24,720	-
Written off during the period / year		-	(14,363,445)
		870,254	3,537,194
7.3 Provision for doubtful ijarah rental receivables:			
Opening balance		-	2,958,183
Written off during the period / year		-	(2,958,183)
Closing balances		-	-
8. Murabaha Finances - Secured			
Considered good		68,990,617	53,314,776
Considered doubtful	8.2	37,860,865	40,763,081
Provision for doubtful morabaha finances	8.3	(4,460,159)	(3,060,159)
		102,391,323	91,017,698
Current / overdue portion grouped under current assets		(77,304,091)	(77,841,930)
		25,087,232	13,175,768
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 stocks, mortgage of properties, demand promissory notes, charge on assets and personal guarantees.			
8.2			
Considered doubtful	8.2.1	39,299,247	42,620,899
Suspended income		(1,438,382)	(1,857,818)
		37,860,865	40,763,081
Suspended income			
Opening balance		1,857,818	1,814,320
Suspension reversed during the period/year		(419,436)	(983,096)
Suspension transferred from short term		-	428,000
Suspension made during the period/year		-	598,594
		1,438,382	1,857,818

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

8.2.1 This includes receivables from 5 (2021: 5) customers under murabaha finance which are under litigation. Legal proceedings against these customers are in process in the Honorable Court of Law. The Court has awarded decree in favour of Modaraba in 3 (2021: 3) cases for recovery of Rs. 60.662 million (2021: Rs. 60.662 million). Amount receivable from one party has been settled through purchase of properties and cash.

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
Note -----Rupees-----		
8.3 Provision for doubtful morabaha finances		
Opening balance	3,060,159	3,060,159
Provision for the period/year	1,400,000	-
Closing balances	<u>4,460,159</u>	<u>3,060,159</u>

9. Investments

Financial assets carried at fair value through other comprehensive income

Shares of Listed Companies

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

Number of shares Dec-21	Name of Investee Jun-21	December 31, 2021		June 30, 2021	
		Average Cost	Market Value	Average Cost	Market Value
-----Rupees-----					
90,000	90,000 Sui Northern Gas Pipelines Limited	5,806,704	3,010,500	5,806,704	4,372,200
19,500	15,000 The Searle Company Limited	4,482,832	2,802,540	4,482,840	3,639,307
75,000	75,000 Pakistan Telecommunication Company Limited	1,029,049	652,500	1,029,049	888,000
17,000	17,000 Oil & Gas Development Company	1,924,850	1,465,400	1,924,850	1,615,510
		<u>13,243,435</u>	<u>7,930,940</u>	<u>13,243,443</u>	<u>10,515,017</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	-----Rupees-----	
10. Deferred taxation			
Deferred tax liability on taxable temporary differences:			
Operating fixed assets in own use - tangible		(3,071,010)	-
Deferred tax liability on deductible temporary differences:			
Provision for classified receivables under Prudential Regulations for Modarabas		3,309,019	-
Suspended ijarah income - considered doubtful	5.1	252,374	-
Operating fixed assets given on lease / ijarah - tangible	5.2	2,469,457	-
Provision for trade receivable		1,653,021	-
Provision for legal charges receivable		64,786	-
Provision for doubtful morabaha finances		1,293,446	-
Unrealized (loss)/ gain on revaluation of financial assets at fair value through profit or loss		3,949,633	-
Unrealized (loss)/ gain on revaluation of financial assets at fair value through OCI		1,540,624	-
		11,461,350	-
10.1	Till June 30, 2021, the income of non-trading Modarabas is exempt from income tax provided that not less than 90% of their profits are distributed to the certificate holders. Tax clause which provides for such exemption has been omitted through Tax Laws (second) amendment Ordinance, 2021. As a result of withdrawal of tax exemption, there are implications of deferred tax which have been assessed.		
11. Fixed Assets			
Operating fixed assets given on lease / ijarah - tangible	11.1	144,440,099	94,956,022
Operating fixed assets in own use - tangible	11.2	13,316,030	13,126,289
		157,756,129	108,082,311
11.1 Operating assets given on ijarah			
Opening written down value		94,956,022	87,935,874
Additions during the period / year		84,526,939	48,755,681
Disposals during the period / year		(19,675,453)	(14,643,798)
		159,807,508	122,047,757
Depreciation charge for the period / year		(15,367,409)	(27,091,735)
		144,440,099	94,956,022
11.2 Fixed assets in own use			
Opening written down value		13,126,289	11,971,304
Additions during the period / year	11.2.1	576,400	1,677,624
Disposals during the period / year		(113,449)	(78,669)
		13,589,240	13,570,259
Depreciation charge for the period / year	11.2.2	(273,210)	(443,970)
		13,316,030	13,126,289

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	-----Rupees-----	
11.2.1 Additions during the period / year		164,600	518,324
Office equipment		-	-
Furniture and fixtures		343,800	145,000
Electrical equipment		68,000	1,014,300
Vehicle		576,400	1,677,624
11.2.2 Book value at the end of period / year			
Land	11.2.2.1	10,728,400	10,728,400
Furniture and fixtures		214,633	238,600
Office equipment		941,641	828,313
Vehicles		817,082	968,077
Electrical equipment		614,274	362,899
		13,316,030	13,126,289

11.2.2.1 This represents a piece of land measuring 10 Kanals, amounting to 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 Civill 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 the name of the Modaraba and accordingly no loss has been recognized against such land.

12. Creditors, Accrued and Other Liabilities

Payable to Modaraba Management Company		2,100,353	901,706
Provision for Workers' Welfare Fund		590,333	212,270
Payable to SQZ Business Management Consultancy (Pvt) Ltd.		159,904	159,904
Accrued expenses		504,966	1,243,421
Other liabilities	12.1	1,352,477	1,225,352
		4,708,033	3,742,653

12.1 It includes charity payable amounting to Rs. 28,989 (June 30, 2021: Rs. 183,219).

The reconciliation is as follows:

Opening balance		183,219	109,223
Additions during the period / year		25,770	313,996
Charity paid during the period / year		(180,000)	(240,000)
Closing balance		28,989	183,219

Charity is paid on the earnings of investments made in stocks of Sharia non-compliant companies. Dividend earned during the period pertains to investment in DAWH (Dawood Hercules Corporation Limited). None of the directors and employees of the Modaraba Management Company have any interest in the charity.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
13. Unrealized loss on Revaluation of Investments	Note	-----Rupees-----	
Opening balance		(2,728,426)	(4,867,878)
Surplus / (deficit) on revaluation during the year		(1,043,446)	2,139,452
		<u>(3,771,872)</u>	<u>(2,728,426)</u>

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

14. Contingencies and Commitments

Contingencies

There is no material change in the status of contingencies as reported in financial statements of the Company for the period ended December 31, 2021.

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. Future ijarah payments due under these arrangements are as follows:

Not later than one year	889,083	461,151
Later than one year and not later than five years	2,673,955	3,047,065
	<u>3,563,038</u>	<u>3,508,216</u>
Disbursements of Ijarah / Musharakah to be made	<u>6,996,000</u>	<u>7,030,500</u>

	Half year ended December 31, 2021		Quarter ended December 31, 2021	
	2021	2020	2021	2020
	----- (Un-Audited) -----			
	----- Rupees -----			
15. Income from Ijarah - net				
Income from ijarah operations	25,729,159	19,528,927	12,090,559	10,287,438
Less: Depreciation on fixed assets given on ijarah	(15,367,409)	(13,813,359)	(7,848,095)	(7,029,651)
Less: Insurance on ijarah assets	(1,539,841)	(1,210,934)	(786,200)	(600,698)
	<u>8,821,909</u>	<u>4,504,634</u>	<u>3,456,264</u>	<u>2,657,089</u>
16. Income from Investments - net				
Dividend income on equity investments	1,483,250	859,077	808,250	548,077
Profit on sale of long term investments	-	619,403	-	130,511
Profit on sale of short term investments	(935,495)	3,892,361	(1,081,042)	1,179,954
	<u>547,755</u>	<u>5,370,841</u>	<u>(272,792)</u>	<u>1,858,542</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021		Quarter ended December 31, 2021	
	2021	2020	2021	2020
	----- (Un-Audited) -----			
	----- Rupees -----			
17. Other Income				
Gain on disposal of fixed assets	5,900,141	3,077,298	5,847,746	3,078,705
Profit on deposit and saving accounts with banks	273,900	84,600	169,141	54,404
Rental income on investment properties	20,001	40,002	-	20,001
Gain on settlement	37,335,047	-	-	-
Fair value gain / (loss) on investment properties	(1,435,350)	-	(1,435,350)	-
Processing, documentation and other fee and charges	300,280	162,670	169,970	109,930
Miscellaneous income	1,076,111	36,231	1,067,961	19,725
	<u>43,470,130</u>	<u>3,400,801</u>	<u>5,819,468</u>	<u>3,282,765</u>
18. Operating Expenses				
Salaries, allowances and other benefits	9,641,672	7,494,941	4,585,296	4,049,051
Legal and professional charges	283,000	444,375	(513,750)	190,375
Fees and subscription	3,859,715	1,958,174	966,443	830,912
Electricity, gas and water	516,539	501,965	307,368	309,953
Telephone, postage and courier	421,795	403,264	290,366	251,485
Advertisement	82,783	46,585	38,435	46,585
Printing and stationery	492,113	469,545	179,485	345,785
Travelling and conveyance	247,753	131,051	225,251	36,064
Entertainment	329,518	236,743	170,781	112,031
Insurance	137,939	113,191	72,111	55,891
Vehicle running	950,210	1,015,680	431,000	500,100
Rent, rates and taxes	900,040	883,025	414,430	472,323
Repairs and maintenance	1,080,497	993,346	494,294	474,295
Depreciation on own assets	273,210	208,549	129,143	97,382
Depreciation on right of use assets	-	133,976	-	33,494
Bank charges and commission	6,538	3,278	5,120	887
Ijarah rental expense - vehicle	618,359	660,576	340,272	330,288
Miscellaneous	82,790	58,221	47,769	21,391
	<u>19,924,471</u>	<u>15,756,485</u>	<u>8,183,814</u>	<u>8,158,292</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
19. Cash Generated From Operations	Note	Rupees
Profit before taxation	18,525,110	8,077,284
Adjustments for non-cash and other items:		
Depreciation:		
Under ijarah	15,367,409	13,813,359
In own use	273,210	208,549
Right of use assets	-	133,976
Gain on termination / disposal of ijarah assets	(5,700,277)	(3,078,705)
(Gain) / Loss on disposal of owned assets	(199,864)	1,407
Loss on disposal of investment properties	3,887,550	-
Profit on long term investment - available for sale	-	(619,403)
Loss / (gain) realized on sale of short term investment - held for trading	935,495	(3,892,361)
Liabilities written back	-	(11,203)
Unrealized gain on revaluation of short term investments - held for trading	9,906,233	(3,082,092)
Surplus on revaluation of fixed assets	(2,457,200)	
Worker's welfare fund	378,063	164,843
Dividend income	(1,483,250)	(859,077)
	20,907,369	2,779,293
Operating profit before working capital changes	39,432,479	10,856,577
Decrease / (increase) in current assets		
- Advances, deposits, prepayments and other receivables	9,949,303	1,695,720
- Short term murabaha finances	4,478,454	468,262
- Short term musharakah finances	3,356,642	7,828,096
- Ijarah rental receivables	12,320,967	(1,717,072)
- Stock in trade	319,099	-
Increase in current liabilities		
- Creditors, accrued and other liabilities	965,844	508,747
	31,390,309	8,783,753
Cash generated from operations	70,822,788	19,640,330

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

20. Balances and Transactions with Related Parties

Related parties of the Modaraba include the Modaraba Management Company [Al-Zamin Modaraba Management (Private) Limited], directors and key management personnel of the Modaraba Management Company, key management personnel of the Modaraba and their close family members, the provident fund trust and entities with common directors or under common management and control.

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

			-----Half year ended-----	
			(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
			-----Rupees-----	
Transactions during the period			Note	
Related party	Relationship	Nature of transaction		
Al-Zamin Modaraba Management (Private) Limited	"Modaraba Management Company"	Management fee and others	2,100,353	915,792
Employees' Provident Fund	Associated undertaking	Contribution for the period	481,485	385,793
Executives and close relatives thereof	Associated persons	Repayment of loan	90,000	175,000
			(Un-audited) December 31, 2021	(Audited) June 30, 2021
Outstanding Balances as at,			Note	
Related party	Relationship			
Al-Zamin Modaraba Management (Private) Limited	Payable against management fee and others		2,100,353	320,927
Executives and close relatives thereof	Loan receivable		80,000	300,000

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Reconciliation of reportable segments revenues, profit or loss, assets and liabilities is as follows:

	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
Revenues	Note	Rupees
Total revenues for reportable segments	14,541,755	24,780,006
Other revenues	26,386,242	134,398
Modaraba's revenues	40,927,997	24,914,404
Profit		
Total profit for reportable segments	14,541,755	24,780,006
Other expenses - net	103,939	(16,830,672)
	14,645,694	7,949,334
	(Un-audited) December 31, 2021	(Audited) June 30, 2021
Assets	Note	Rupees
Total assets for reportable segments	362,405,751	323,946,811
Corporate assets unallocated:		
Advances, deposits, prepayments and other receivables	6,446,643	6,574,528
Deferred taxation	11,461,350	-
Income tax refunds due from the Government	-	4,777,383
Deposits	707,962	707,962
Investment properties	8,571,450	22,274,000
Fixed assets	13,316,030	13,126,289
	40,503,435	47,460,162
Cash and bank balances	8,061,300	8,093,386
Total assets as per the balance sheet	410,970,486	379,500,359
Liabilities		
Total liabilities for reportable segments	57,968,792	36,439,412
Corporate liabilities unallocated:		
Unclaimed dividends	12,835,138	12,891,301
Income tax payable	8,701,739	-
Creditors, accrued and other liabilities	4,708,033	1,154,266
Lease liabilities against right of use assets	-	153,052
Total liabilities as per the balance sheet	84,213,702	50,638,031

21.2 Certain liabilities, assets, other income and other operating charges of the Modaraba cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.

There are no differences between the measurements of the reportable segments' profits or losses, assets and liabilities with the Modaraba's profits or losses, assets and liabilities.

There are no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

There are no asymmetrical allocations to reportable segments.

All non-current assets of the Modaraba are located in Pakistan as at the reporting date.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

22. Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Modaraba to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The following table presents the Modaraba's assets and liabilities that are measured at fair value as at December 31, 2021 (Un-audited):

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Short term investments	34,843,701	-	-	34,843,701
Long term investments	7,930,940	-	-	7,930,940
	42,774,641	-	-	42,774,641

The following table presents the Modaraba's assets and liabilities that are measured at fair value as at June 30, 2021:

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Short term investments	26,057,529	-	-	26,057,529
Long term investments	10,515,018	-	-	10,515,018
	36,572,547	-	-	36,572,547

During the half year ended December 31, 2021, there were no significant changes in the business or economic circumstances that affect the fair value of the Modaraba's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets and there were no changes in valuation techniques during the period.

23. General

Figures in these financial statements have been rounded off to the nearest Rupee.

24. Date of Authorization for Issue

These condensed interim financial statements (un-audited) are approved and authorized for issuance on February 23rd, 2022. By the Board of Directors of the Management Company.

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


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

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