

**QUARTERLY
REPORT**
March 31, 2021



Trust Modaraba
Managed By:
Al-Zamin Modaraba Management (Pvt) Ltd.

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CORPORATE INFORMATION

Modaraba Company

Al-Zamin Modaraba Management (Private) Limited

Board of Directors

Mr. 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. 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. Sheikh Arshad Farooq	Member
Mr. Syed Etrat Hussain Rizvi	Member
Mr. Sohail Ansar	Member

Human Resource Committee

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

Internal Auditors

Grant Thornton Anjum Rahman.
Chartered Accountants

Auditors of the Modaraba

Crowe Hussain Chaudhury & Co.
Chartered Accountant

Bankers

Meezan Bank Limited
The Bank of Punjab

Legal Advisors

Salim & Baig, Advocate
Shakeel Ahmed Awan
S&B Durrani Law Associates
Sameera Usto & Associates

Registered Office/Principal Place of Business

104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi-75600
Telephone: 021-35876651-2 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 quarter ended 31st March, 2021.

Almost every country around the globe, is also suffering from the effects of Covid 19 pandemic. The containment measures enforced by the government in response to the outbreak of pandemic resulted in severe contraction of economic activity hitting hard the low income strata of our population. Poverty incidences increased and a major segment suffered job or income losses. The government, in an effort to mitigate the adverse socio economic effects of pandemic rolled out a stimulus package through its Ehsaas program and also deferred some of the fiscal adjustment measures.

However, since the beginning of current financial year Pakistan economy is showing signs of recovery, Indicators of industrial and services activity have recovered with large scale manufacturing exceeding pre Covid levels. Investments have also improved as machinery import and cement sales have recorded double digit growth rates. Further, the current efforts to enhance the ease of doing business will help in significantly, improving investment to GDP ratio over the medium term. Correcting the fundamentals of the economy through effective policy making and targeted reforms are paramount in achieving a sustainable growth.

During the nine months under review, your Modaraba has recorded total revenue of Rs. 33.483 million as compared to Rs.23.444 million of the previous comparable period. Funds thus generated were profitably deployed in fresh business contracts. After accounting for all the expenses, your Modaraba achieved a profit of Rs. 6.287 million before management fee as compared to Rs. 1.963 million during the previous comparable period. Balance Sheet footings of your Modaraba stood at Rs. 377.113 million as at 31st March, 2021 as compared to Rs. 357.503 million as at 31st March, 2020. Certificate holders equity stands at Rs. 313.442 million.

EARNING PER CERTIFICATE

Earnings per certificate of the Modaraba is Rs. 0.18 per certificate for the nine months period ended on 31st March, 2021 as compared to Rs. 0.05 per certificate for the corresponding period last year.

Your Modaraba is fully committed to achieving further growth in the operations of the Modaraba for the benefit of all the stake holders.

For & on behalf of the Board of Directors



Director



Chief Executive

Karachi
April 21, 2021



ڈائریکٹرز رپورٹ

انصاف منڈاربا ٹرسٹ (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز 31 مارچ 2021 پر ختم ہونے والی ماہی پر ٹرسٹ منڈاربا کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کروا مرض پر تقریباً ہر ملک کو ڈیڑھ 19 کی عالمی وبا کے اثرات کی لہر میں بھی مبتلا ہے۔ عالمی وبا سے بچاؤ کے لئے حکومت کی جانب سے کئے جانے والے اقدامات کا نتیجہ معاشی سرگرمی میں شدید سبکدوشی کی صورت میں ہوا جس کا نشانہ آبادی کا کم آمدنی والا طبقہ بنا۔ غربت کے واقعات بڑھے اور بڑے حصے کی ملازمت یا آمدنی ختم ہو گئی۔ عالمی وبا سے پیدا ہونے والے ناموافق سماجی و معاشی اثرات کو کم کرنے کے لیے حکومت نے اپنے احساس پروگرام کے تحت ایک تحریک سٹیجنگ کا آغاز کیا اور کچھ اقتصادی ردوبدل کے اقدامات بھی انہیں ڈالا۔

تاہم، جاری مالی سال کے آغاز سے، پاکستان کی معیشت کی بحالی کے اشارے دکھاری ہے، صنعتی اور خدمات کی سرگرمیوں کے ساتھ ساتھ بڑے پیمانے کے پیداوار کے اشارے کو ڈیڑھ پہلے کی سطح پر بڑھ چکے ہیں۔ مہینوں کی درآمدات اور سیٹ کی فروخت کے دہرے عدد (double digit) کی شرح نمو کے اندر ان سے سرمایہ کاری میں بھی بہتری آئی ہے۔ مزید یہ کہ، حکومت کے کاروبار کرنے میں آسانیوں میں بہتری کے لیے کئے جانے والے اقدامات معاونت کریں گے اور وسطی مدت میں سرمایہ کاری سے مجموعی قومی پیداوار کے تناسب میں بہتری لائے گی۔ تسلسل سے جاری رہنے والی نمو کے حصول کے لیے موثر پالیسی بنانے اور اصلاحات کے متعین ہدف کے ذریعے معیشت کے اصولوں کی درستی انتہائی ضروری ہے۔

آپ کے منڈاربا نے زیر جائزہ نو ماہ کی مدت میں کل 33.483 ملین روپے کی مالگڈاری کا اندراج کیا جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 23.444 ملین روپے تھی۔ اس طرح سے حاصل ہونے والے فائدہ کو منافع کے ساتھ سنے کاروباری معاہدات میں استعمال کئے۔ 31 مارچ 2021 پر، منجسٹ کی فیس سے پہلے، تمام اخراجات کا حساب کتاب کرنے کے بعد 6.287 ملین روپے کے منافع کا اندراج کیا جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 1.963 ملین روپے تھی۔ 31 مارچ 2021 پر آپ کے منڈاربا کی بیلنس شیٹ 377.113 ملین روپے رہی جبکہ اس کے مقابلے میں 31 مارچ 2020 پر 357.503 ملین روپے تھی۔ سرٹیفیکیٹ کنندگان کا کلیتی سرمایہ 313.442 ملین روپے رہا۔

31 مارچ 2021 پر اہتمام پھڈیر نو ماہ پر آمدنی 0.18 روپے فی سرٹیفیکیٹ رہی جو گزشتہ سال اسی مدت میں 0.05 روپے فی سرٹیفیکیٹ تھی۔ آپ کی انتظامیہ، تمام خرماہ مفاد کے مفاد میں منڈاربا کے آپریشن کی ترقی کے حصول کے لیے پر عزم ہے

برائے پور ڈف ڈائریکٹرز کے جانب سے


چیف ایگزیکٹو


ڈائریکٹر

کراچی،

21 اپریل 2021


CONDENSED INTERIM BALANCE SHEET
 AS AT MARCH 31, 2021

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	-----Rupees-----	
ASSETS			
Current assets			
Cash and bank balances		5,827,723	8,093,386
Short term investments	4	25,483,340	18,274,492
Advances, deposits, prepayments and other receivables	5	23,220,985	27,204,641
Short term murabaha finances	6	40,160,680	41,485,468
Current portion of long term murabaha finances		82,192,653	70,578,971
Ijarah rental receivables	7	18,474,701	17,151,789
Short term musharakah finances (secured - considered good)		20,681,312	31,070,328
Current portion of long term musharakah finances		674,179	598,411
Income tax refunds due from the Government		5,659,728	5,508,038
Stock in trade		429,561	429,561
Total Current Assets		222,804,862	220,395,085
Non-current assets			
Long term murabaha finances	8	14,452,710	6,102,446
Long term musharakah finances		414,071	893,033
Long term deposits		399,662	412,262
Long term investments	9	8,709,414	9,254,769
Investment property		20,405,000	20,405,000
Fixed assets	10	109,927,531	100,041,154
Total Non-Current Assets		154,308,388	137,108,664
TOTAL ASSETS		377,113,250	357,503,749
LIABILITIES			
Current liabilities			
Current portion of customers' security deposits		9,508,265	7,651,000
Current portion of deferred income on murabaha		5,223,287	3,702,398
Current portion of lease liabilities against right of use assets		-	153,052
Unclaimed dividends		12,891,301	12,891,301
Creditors, accrued and other liabilities	11	4,023,819	1,626,307
Total current liabilities		31,646,672	26,024,058
Non-current liabilities			
Deferred income on murabaha		2,251,224	822,658
Customers' security deposits		29,773,301	23,791,315
Total Non-Current Liabilities		32,024,525	24,613,973
Total Liabilities		63,671,197	50,638,031
NET ASSETS		313,442,053	306,865,718
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital		298,000,000	298,000,000
Reserves		15,442,053	8,865,718
		313,442,053	306,865,718
Contingencies and commitments	12	-	-

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements (un-audited).

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 NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Note	Nine Months ended		Quarter ended	
		March 31 2021	March 31 2020	March 31 2021	March 31 2020
-----Rupees-----					
Operating income					
Income from ijarah	13	6,922,864	7,285,260	2,418,230	2,373,848
Profit on murabaha finances		8,116,899	7,898,116	2,863,733	2,487,177
Profit on musharakah finances		4,652,868	6,061,485	1,349,998	2,071,028
Income from investments - net	14	7,250,393	210,098	1,879,552	24,954
Trading income		-	64,497	-	-
Other income	15	6,539,619	1,924,931	3,138,818	792,717
		33,482,643	23,444,387	11,650,331	7,749,724
(Provision) / Reversal of provision against non performing finance and other receivables - net		-	-	-	-
Receivable written off		(1,747,211)	-	(1,747,211)	-
Unrealized gain / (loss) on revaluation of held-for-trading investment		(587,893)	1,985,928	(3,669,985)	-
		31,147,539	25,430,315	6,233,135	7,749,724
Operating expenses	16	(24,860,425)	(23,467,111)	(9,103,940)	(8,225,715)
		6,287,114	1,963,204	(2,870,805)	(475,991)
Charge of Modaraba Management Company's fee		(628,711)	(196,320)	287,081	47,600
Worker's Welfare Fund		(113,168)	-	51,675	-
Profit before taxation		5,545,235	1,766,884	(2,532,049)	(428,391)
Taxation		(157,350)	(150,567)	(29,400)	-
Net Profit for the Period		5,387,885	1,616,317	(2,561,449)	(428,391)
Earnings per Certificate - Basic and Diluted		0.18	0.05	(0.09)	(0.01)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements (un-audited).

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	<i>Nine Months ended</i>		<i>Quarter ended</i>	
	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	-----Rupees-----			
Net Profit for the Period	5,387,885	1,616,317	(2,561,449)	(428,391)
Other comprehensive Income:				
<i>Items that may be reclassified subsequently to profit and loss account</i>				
<i>Items that will not be reclassified to profit and loss account</i>				
- Net change in fair value of financial assets held at fair value through other comprehensive income S.R.O. 278 (I)/2021. of SECP	-	(3,669,651.0)	-	(3,669,651)
- Net change in fair value of financial assets held at fair value through other comprehensive income	1,188,450	(474,965)	17,851	(1,584,467)
Other comprehensive income / (loss) for the period	1,188,450	(4,144,616)	17,851	(5,254,118)
Total Comprehensive Income / (Loss) for the Period	6,576,335	(2,528,299)	(2,543,598)	(5,682,509)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements (un-audited).

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 NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Note	Nine Months ended	
		March 31 2021	March 31 2020
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations			
Cash generated from operations	17	28,859,024	13,889,978
<i>Decrease / (increase) in non-current assets:</i>			
- Long term murabaha finances		(19,963,946)	11,364,893
- Long term musharakah finances		403,194	746,309
<i>(Decrease) / increase in non-current liabilities:</i>			
- Deferred income on murabaha		2,949,455	(3,356,230)
Purchase of ijarah assets		(39,240,056)	(32,196,300)
Receipts of customers' security deposits		13,976,051	8,227,900
Proceeds from disposal of ijarah assets		10,133,040	7,122,437
Income tax paid / deducted		(309,040)	(235,903)
Net Cash Generated from Operating Activities		(3,192,278)	5,563,084
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of owned assets		(1,276,544)	(229,895)
Proceeds from disposal of owned assets		1,255,923	-
Purchase of investments - net		112,610	(1,385,001)
Long term deposits		12,600	200,500
Dividends received		975,078	139,918
Net Cash (Used in) / Generated from Investing Activities		1,079,667	(1,274,478)
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit distributed to certificate holders		-	(38,825)
Payment made against lease liabilities		(153,052)	-
Loan repaid to the Modaraba Management Company		-	(2,000,000)
Net Cash Used in Financing Activities		(153,052)	(2,038,825)
Net (Decrease) / Increase in Cash and Cash Equivalents		(2,265,663)	2,249,781
Cash and cash equivalents at the beginning of the period		8,093,386	4,057,050
Cash and Cash Equivalents at the End of the Period		5,827,723	6,306,831

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements (un-audited).

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

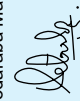
Particulars	Certificate Capital	Reserves				Total	Total equity
		Statutory reserve	Surplus on Revaluation of Fixed Assets	Unrealized Loss on revaluation of Investments	Net change in fair value of financial assets as per S.R.O 278(I)/2021		
Balance as at June 30, 2019	298,000,000	79,845,133	2,457,200	(6,755,141)	-	5,870,717	303,870,717
Net profit for the period	-	-	-	-	-	1,616,317	1,616,317
Net change in fair value of financial assets as per S.R.O.278(I)/2020. OF SECP	-	-	-	(3,669,651)	-	(3,669,651)	(3,669,651)
Other comprehensive (loss)/income for the period	-	-	-	(474,965)	-	(474,965)	(474,965)
Balance as at March 31, 2020	298,000,000	79,845,133	2,457,200	(7,230,106)	(3,669,651)	(68,060,158)	301,342,418
Balance as at June 30, 2020	298,000,000	80,191,484	2,457,200	(4,867,878)	-	8,865,718	306,865,718
Net profit for the period	-	-	-	-	-	5,387,885	5,387,885
Other comprehensive (loss)/income for the period	-	-	-	1,188,450	-	1,188,450	1,188,450
Balance as at March 31, 2021	298,000,000	80,191,484	2,457,200	(3,679,428)	-	(63,527,203)	313,442,053

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements (un-audited).

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



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER



THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 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 being 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 Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharakahs, Ijarah, investment in marketable securities, trading and other permissible businesses. The principal place of business and registered office is located at 104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi - 75600 while regional offices are located at 301-320, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Modaraba for the nine months period ended March 31, 2021 are unaudited and being submitted to their certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981 and have been prepared in accordance with the requirement of the International Accounting Standard 34 - "Interim Financial Reporting".

2.2 The condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements for the Modaraba as at and for the year ended June 30, 2020.

2.3 These condensed interim financial statements of the Modaraba have been presented in Pak Rupees, which is the functional currency of the Modaraba.

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, 2020.

	<i>(Un-audited)</i> March 31	<i>(Audited)</i> June 30
	2021	2020
Note	-----Rupees-----	

4. SHORT TERM INVESTMENTS

Financial assets held at fair value through profit and loss:

NIT Islamic Unit Fund - at cost
Meezan Islamic Fund - at cost
Shares of listed companies

	996,991	796,920
	-	1,415,194
4.1	24,486,349	16,062,378
	25,483,340	18,274,492

**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

4.1 Shares of Listed Companies

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

Number of shares		Name of Investee	<i>(Un-audited)</i>		<i>(Audited)</i>	
March 31, 2021	June 30, 2020		Average cost	Market Value	Average Cost	Market Value
-----Rupees-----						
-	19,000	Attock Refinery Limited	-	-	2,588,873	1,697,080
70,000	70,000	Byco Petroleum Pakistan Limited	1,293,600	732,200	1,293,581	421,400
45,000	20,000	Frieslandcampins Engro Foods Ltd	4,028,566	3,103,200	2,100,712	1,470,200
70,000	50,000	Fauji Cement Company Limited	1,929,588	1,597,400	1,502,732	844,000
-	25,000	The Hub Power Company Limited	-	-	2,135,546	1,812,500
5,154	-	Dawood Hercules Corp. Limited	686,386	572,146	-	-
25,000	-	Engro Fertilizers Limited	1,602,605	1,560,000	-	-
800	-	Millat Tractors Ltd	893,527	879,800	-	-
15,500	-	Nishat Mills Ltd	1,788,489	1,434,060	-	-
3,500	-	Pakistan Oilfields Limited	1,401,765	1,329,615	-	-
100,000	50,000	Hascol Petroleum Limited	1,411,655	1,025,000	968,838	680,000
33,000	5,000	Pakistan Petroleum Limited	3,142,809	2,883,540	461,026	433,900
26,000	2,000	Shell Pakistan Limited	5,732,466	4,001,910	368,640	365,160
-	-	The Searle Company Limited	-	-	601,324	597,690
-	11,000	Packages Limited	-	-	4,416,045	3,819,310
-	17,000	D.G. Khan Cement Company Limited	-	-	1,457,686	1,450,610
3,000	3,000	Lucky Cement Limited	2,604,524	2,452,770	1,350,596	1,384,740
-	15,000	Sui Northern Gas Pipelines Limited	-	-	825,338	819,000
10,000	20,000	Sui Southern Gas Company Limited	138,928	128,400	282,128	266,788
15,000	-	Century Paper & Board Mills	1,769,393	1,419,600	-	-
10,000	-	Oil & Gas Development Company Ltd	1,078,480	1,016,100	-	-
13,000	-	Dol Oxychem Ltd	457,524	350,608	-	-
			29,960,305	24,486,349	20,353,065	16,062,378



**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	<i>(Un-audited)</i> March 31, 2021	<i>(Audited)</i> June 30 2020
	-----Rupees-----	
5. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans to / receivable from employees - considered good	280,000	610,340
Current portion of long term deposits	227,400	1,374,300
Prepayments	4,776,172	4,805,943
Accrued profit	5.1 1,514,198	2,879,504
Advance against Supplier	4,245,000	1,821,113
Trade receivables - considered good	5.2 8,065,141	9,886,352
Legal suits' charges receivable	5.3 2,808,702	2,783,702
Receivable against sale of vehicles	-	1,800,000
Sundry receivables	5.4 1,304,372	1,243,387
	23,220,985	27,204,641
5.1 Accrued profit		
Profit receivable on musharakah finances	1,514,198	2,879,504
Profit receivable on murabaha finances	1,368,683	1,368,683
Suspended income	(1,368,683)	(1,368,683)
	-	-
	1,514,198	2,879,504
5.2 Trade receivables - considered good		
Gross amount	8,788,999	10,610,210
Allowance for expected credit losses	(723,858)	(723,858)
	8,065,141	9,886,352
5.3 Legal suits' charges receivable		
Gross amount	3,580,652	3,555,652
Allowance for expected credit losses	(771,950)	(771,950)
	2,808,702	2,783,702
5.4 Sundry receivables		
Gross amount	2,200,583	2,139,598
Allowance for expected credit losses	(896,211)	(896,211)
	1,304,372	1,243,387
6. SHORT TERM MURABAHA FINANCES - SECURED		
Considered good	8,881,661	4,416,361
Considered doubtful:		
- Regular parties	4,036,596	4,036,596
- Parties under litigation	35,642,423	62,160,811
- Suspended income	-	(428,000)
	39,679,019	65,769,407
Provision for classified receivables under Prudential Regulations for Modarabas	(8,400,000)	(28,700,300)
	40,160,680	41,485,468

	<i>(Un-audited)</i> March 31, 2021	<i>(Audited)</i> June 30 2020
Note	-----Rupees-----	
7. IJARAH RENTAL RECEIVABLES - SECURED		
Considered good	875,211	3,185,699
Considered doubtful:		
- Regular parties	3,633,400	-
- Parties under litigation	17,503,284	34,824,912
Suspended ijarah income - considered doubtful	(3,537,194)	(17,900,639)
Provision for doubtful ijarah rental receivables	-	(2,958,183)
	18,474,701	17,151,789
8. LONG TERM MURABAHA FINANCES - SECURED		
Considered good	54,166,714	37,801,969
Considered doubtful	45,538,805	41,939,607
8.2	99,705,519	79,741,576
Provision for doubtful long term murabaha finances	(3,060,159)	(3,060,159)
	96,645,360	76,681,417
Current / overdue portion grouped under current assets	(82,192,650)	(70,578,971)
	14,452,710	6,102,446
8.1	The Modaraba has sold goods under murabaha arrangements whereby payment is deferred alongwith specified profit margin. These finances are secured by way of hypothecation / pledge of stocks, mortgage of properties, demand promissory notes, charge on assets and personal guarantees.	
8.2	47,818,649	43,753,927
Considered doubtful		
Suspended income	(2,279,844)	(1,814,320)
8.2.1	45,538,805	41,939,607
8.2.1 Suspended income		
Opening balance	1,814,320	3,439,669
Recovery during the period / year	(453,451)	(1,802,662)
Suspension transferred from short term	428,000	-
Suspension made during the period / year	490,975	177,313
	2,279,844	1,814,320
8.2.2	This includes receivable from 6 (June 30, 2020: 6) 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 2 (June 30, 2020: 2) cases for recovery of Rs. 54.123 million (June 30, 2020: Rs. 54.123 million). Amount receivable from one party has been settled through purchase of properties and cash.	



**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

9. LONG TERM INVESTMENTS

Long Term Investments at Fair Value through OCI

Shares of Listed Companies

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

Number of shares		Name of Investee	<i>(Un-audited)</i>		<i>(Audited)</i>	
			<i>March 31, 2021</i>	<i>March 31, 2021</i>	<i>June 30, 2020</i>	<i>June 30, 2020</i>
<i>March 31, 2021</i>	<i>June 30, 2020</i>		<i>Average cost</i>	<i>Market Value</i>	<i>Average Cost</i>	<i>Market Value</i>
-----Rupees-----						
85,000	20,000	Sui Northern Gas Pipelines Limited	5,562,824	3,333,700	2,087,390	1,092,000
11,200	5,175	The Searle Company Limited	3,576,859	2,766,736	1,999,367	1,031,015
-	15,000	D.G. Khan Cement Company Limited			1,891,516	1,279,950
95,000	130,000	Pakistan Telecommunication company Limited	1,324,301	881,600	1,887,000	1,154,400
17,000	-	Oil & Gas Development Co. Limited	1,924,858	1,727,378	-	-
-	10,000	Shell Pakistan Limited	-	-	2,577,617	1,825,800
-	4,500	Lucky Cement Limited	-	-	2,575,204	2,077,110
-	30,581	Maple Leaf Cement Factory Limited	-	-	1,104,553	794,494
			12,388,842	8,709,414	14,122,647	9,254,769

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>March 31, 2021</i>	<i>June 30, 2020</i>
	-----Rupees-----	

10. FIXED ASSETS

Intangible asset	10.1	-	-
Operating fixed assets given on lease / ijarah - tangible	10.2	97,055,503	87,935,874
Operating fixed assets in own use - tangible	10.3	12,872,028	11,971,304
Right of use assets	10.4	-	133,976
		109,927,531	100,041,154

10.1 This represents fully amortized Enterprise Resource Planning (ERP) software costing Rs. 1.05 million.

**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

		<i>(Un-audited)</i> March 31,	<i>(Audited)</i> June 30
		2021	2020
Note		-----Rupees-----	
10.2 Operating assets given on ijarah			
	Opening written down value	87,935,874	103,576,825
	Additions during the period / year	41,040,056	36,566,300
	Disposals during the period / year	(11,477,888)	(23,343,663)
		117,498,042	116,799,462
	Depreciation charge for the period / year	(20,442,539)	(28,863,588)
		97,055,503	87,935,874
10.3 Fixed assets in own use			
	Opening written down value	11,971,304	12,262,956
	Additions during the period / year	1,276,544	229,895
	Disposals / transfers during the period / year	(62,672)	-
		13,185,176	12,492,851
	Depreciation charge for the period / year	(313,148)	(521,547)
		12,872,028	11,971,304
10.3.1 Additions during the period / year			
	Furniture and fixtures	-	115,815
	Office equipment	117,244	71,630
	Electrical equipment	145,000	42,450
	Vehicles	1,014,300	-
		1,276,544	229,895
10.3.2 Book value at the end of period / year			
	Land	10,728,400	10,728,400
	Furniture and fixtures	260,795	301,304
	Office equipment	512,639	525,704
	Vehicles	1,026,247	116,751
	Electrical equipment	343,947	299,145
		12,872,028	11,971,304

10.3.2.1 It includes 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 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 the name of the Modaraba and accordingly no loss has been charged against such land.



**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	<i>(Un-audited)</i> March 31, 2021	<i>(Audited)</i> June 30 2020
Note	-----Rupees-----	
10.4 RIGHT OF USE ASSETS		
Opening written down value	133,976	535,904
Depreciation charge for the period / year	(133,976)	(401,928)
	-	133,976
11. CREDITORS, ACCURED AND OTHER LIABILITIES		
Salaries and benefits payable	12,480	9,363
Payable to Modaraba Management Company	628,711	320,927
Provision for Workers' Welfare Fund	192,014	78,846
Payable to SQZ Business Management Consultancy (Pvt) Ltd.	159,904	159,904
Accrued expenses	62,822	582,234
Other liabilities	2,967,888	475,033
11.1	4,023,819	1,626,307

- 11.1** It includes charity payable amounting to Rs. 100,737 (June 30, 2020: Rs. 100,054). The reconciliation is as follows:

Opening balance	109,223	100,054
Additions during the period / year	249,026	9,169
Charity paid during the period / year	(240,000)	-
Closing balance	118,249	109,223

None of the directors and employees of the Modaraba Management Company have any interest in the charity.

12. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no material change in the status of contingencies as reported in financial statements of the Company for the year ended June 30, 2020.

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:

	<i>(Un-audited)</i> March 31, 2021	<i>(Audited)</i> June 30 2020
Note	-----Rupees-----	
Not later than one year	614,868	1,144,581
Later than one year and not later than five years	-	461,151
	614,868	1,605,732
Disbursements of Ijarah / Murabaha / Musharakah to be made	11,485,500	7,900,000

**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	(Un-audited)			
	Nine Months ended		Quarter ended	
	March 31 2021	March 31 2020	March 31 2021	March 31 2020
-----Rupees-----				
13. Income from Ijarah - net				
Income from leasing and ijarah operations	29,230,041	31,561,299	9,701,114	10,592,734
Income suspended during the year	-	-	-	-
Receipts against suspended income	-	-	-	-
	29,230,041	31,561,299	9,701,114	10,592,734
Less: Depreciation on fixed assets given on ijarah	(20,442,539)	(22,116,618)	(6,629,180)	(7,495,661)
Less: Insurance on ijarah assets	(1,864,638)	(2,159,421)	(653,704)	(723,225)
	6,922,864	7,285,260	2,418,230	2,373,848
14. Income from Investments - net				
Dividend income on equity investments	1,075,077	132,218	216,000	-
Profit/(Loss) on long term investments	534,541	-	(84,862)	-
Profit on sale of short term investments	5,640,775	77,880	1,748,414	24,954
	7,250,393	210,098	1,879,552	24,954
15. Other Income				
Processing, documentation, other fees and charges	258,330	275,600	95,660	129,350
Gain on disposal of fixed assets	5,985,203	1,273,226	2,907,905	547,856
Miscellaneous income	296,086	376,105	135,253	115,511
	6,539,619	1,924,931	3,138,818	792,717
16. Operating Expenses				
Salaries, allowances and other benefits	11,267,619	10,272,065	3,772,678	3,369,631
Legal and professional charges	1,192,875	765,078	748,500	427,000
Fees and subscription	4,051,927	2,925,989	2,093,753	1,441,429
Electricity, gas and water	646,083	717,787	144,118	147,472
Telephone, postage and courier	538,669	546,548	135,405	168,439
Rent, rates and taxes	1,303,106	1,497,971	420,081	503,322
Printing and stationery	588,207	553,425	118,662	156,041
Travelling and conveyance	180,458	468,216	49,407	182,406
Entertainment	345,367	409,856	108,624	111,907
Insurance	166,654	165,375	53,463	48,912
Advertisement	96,585	144,931	50,000	-
Vehicle running	1,472,770	1,587,148	457,090	517,100
Newspaper and periodicals	14,005	20,292	14,005	7,832
Repairs and maintenance	1,395,732	1,137,282	402,386	325,558
Depreciation on own assets	312,917	405,294	104,368	118,139
Depreciation on right of use assets	133,976	-	-	-
Ijarah rental expense - vehicle	990,864	1,427,760	330,288	473,328
Bank charges and commission	7,187	4,001	3,909	366
Sales Tax	46,202	39,416	46,202	23,714
Miscellaneous	109,222	378,677	51,001	203,119
	24,860,425	23,467,111	9,103,940	8,225,715



**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

17. Taxation

"On March 22, 2021, the President of Pakistan promulgated the Tax Law (Second Amendment) Ordinance, 2021,(Ordinance 2021) whereby Clause 100 of the Part 1 of the Second Schedule to the Income Tax Ordinance, 2001 relating to the Tax Exemption available to the Modarabas stands withdrawn.

Tax Exemption has been available to the Modarabas under Section 37 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, which is still operative and was specified under Clause 100 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, which exemption has been removed by Ordinance 2021. It is believed that the Ordinance 2021 will be placed before the Assembly to be ratified through a Finance Act. It is a settled law that the taxes can only be levied from prospective effect and any retrospective applicability thereof is ultra-vires under the Constitution. Based on the legal and professional advice, the Management along with other Modarabas, have made representations to the appropriate authorities to remove intended withdrawal of tax exemption available to the Modarabas, particularly any retrospective effect of the Ordinance 2021.

Accordingly, no provision for Income Tax has been made in the quarterly accounts for the period ended July 1, 2020 to March 31, 2021."

------(Un-audited)-----	
March 31, 2021	March 31 2020
-----Rupees-----	

18. Cash Generated From Operations

Profit before taxation	5,545,235	1,766,884
Adjustments for non-cash and other items:		
- Depreciation:		
Under ijarah	20,442,539	22,116,618
In own use	312,917	405,294
Right of use assets	133,976	-
- (Gain)/Loss on termination / disposal of ijarah assets	(4,791,952)	(1,273,226)
- (Gain)/Loss on disposal of owned assets	(1,193,251)	-
- Receivable written off	1,747,211	-
- (Gain)/Loss on long term investment - available for sale	(534,541)	-
- (Gain)/Loss realized on sale of short term investment - held for trading	(5,640,775)	(77,880)
- Unrealized (Gain)/loss on revaluation of short term investments - held for trading	587,893	(1,985,928)
- Worker's welfare fund	113,168	-
- Dividend income	(1,075,077)	(132,218)
	10,102,108	19,052,660
Operating profit before working capital changes	15,647,343	20,819,544
Decrease / (increase) in current assets		
- Advances, deposits, prepayments and other receivables	536,445	(1,009,673)
- Short term murabaha finances	1,324,788	(2,395,674)
- Short term musharakah finances	10,389,016	(1,806,778)
- Ijarah rental receivables	(1,322,912)	(239,381)
- Stock in trade	-	221,833
(Decrease) / increase in current liabilities		
- Creditors, accrued and other liabilities	2,284,344	(1,699,893)
	13,211,681	(6,929,566)
Cash generated from operations	28,859,024	13,889,978

**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

19. 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.

Related party	Relationship	Nature of transaction	Nine Months ended March 31,	
			2021	2020
			----- (Un-audited) ----- -----Rupees-----	
Al-Zamin Modaraba Management (Private) Limited	Modaraba Management Company	Management fee and others	628,711	196,320
Employees' Provident Fund	Associated undertaking	Contribution for the period	568,661	515,385
Executives and close relatives thereof	Associated persons	Repayment of loan	250,000	1,018,002
Outstanding Balances as at,			March 31,	June 30,
			2021	2020
			(Un-audited)	(audited)
			-----Rupees-----	
Al-Zamin Modaraba Management (Private) Limited		Payable against management fee	628,711	320,927
Executives and close relatives thereof		Loan receivables	50,000	300,000

20. Date of Authorization for Issue

These condensed interim financial statements (un-audited) are approved and authorized for issuance on April 21, 2021 by the Board of Directors of the Management Company.

21. Corresponding figures

Corresponding figures have been rearranged, wherever necessary, to facilitate comparison.

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


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

BOOK POST

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