

**QUARTERLY  
REPORT  
SEPTEMBER 30, 2020**



**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, 35876652  
Fax : 021-35870408 Web: trustmodaraba.com

#### Regional Office

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

#### Registrars

Hameed Majeed Associates (Private) Limited  
1<sup>st</sup> 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 present herewith the un-audited financial statements of Trust Modaraba for the quarter ended 30<sup>th</sup> September, 2020.

Pakistan is projected to experience a broad recovery in financial year 2021 as uncertainty over the pandemic fades and domestic demand gradually rebound as the economic sentiments improve led by resumption of structural reforms. A rise in cement sales point to upbeat construction activity, worker remittances surged in July-August as lockdown eased globally. However, the suspension of travel and closure of nonessential businesses in recent past induced concurrent demand and supply shocks which is impacting on higher inflation. The current account deficit eased considerably i.e. 1.1% of GDP in financial year 2020, as merchandise imports fall sharply due to containment disruptions, lower oil prices etc. The State Bank of Pakistan maintained its policy rate at 7% at the end of 1st quarter of the financial year. Currently, GDP growth rate is in negative mode, however, it is projected from 1.3% to 2% for 2021.

During the quarter under review, your Modaraba has recorded total income at Rs. 11.190 million as compared to Rs. 7.48 million of the previous comparable period depicting an increase of over 30%. During the quarter your Modaraba has earned a profit of Rs. 3.591 million before management fee as compared to Rs. 0.443 million of the previous corresponding quarter, mainly, due to gain on stock market operations. Balance sheet footing of your Modaraba stood at Rs. 366.830 million. Certificate holder's equity stands at Rs. 312.016 million.

### EARNING PER CERTIFICATE

Earning per certificate of the Modaraba is Rs. 0.11 per certificate for the quarter ended 30<sup>th</sup> September, 2020 as compared to Rs. 0.01 per certificate in the corresponding quarter last year.

Your Management is fully cognizant of the impact of the economic crises due to Covid-19 and is committed to deal with the anticipated challenges through a well thought out business plan and strategy.

For & on behalf of the Board of Directors

**Sheikh Arshad Farooq**  
Chairman

**Basheer A. Chowdry**  
Chief Executive

**Karachi**  
**October 29, 2020**

## ڈائریکٹرز رپورٹ

الضامن مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کے نان ملٹین، ٹرسٹ مضاربہ کی 30 ستمبر 2020 پر اختتام پزیر سہ ماہی کے مالیاتی دستاویزات پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

عالمی وبا سے پیدا ہونے والی غیر یقینی کے ختم ہوتی ہوئی صورتحال، ملکی طلب میں بتدریج بحالی اور ڈھانچائی اصلاحات کے دوبارہ شروع کرنے سے ہونے والی بہتری سے توقع ہے کہ مالی سال 2021 وسیع بنیاد بحالی دیکھے گا۔ سینٹ کی فروخت میں اضافہ بہتر تعمیراتی سرگرمی کی جانب اشارہ کرتی ہے اور جیسے ہی دنیا بھر میں بندش میں نرمی ہوئی تو جولائی - اگست میں کارکنوں کی جانب سے ترسیل زر میں اضافہ ہوا۔ تاہم، سفر کی معطلی اور حالیہ ماحولی میں غیر لازمی کاروبار کی بندش نے یک وقت طلب اور فراہمی کے جھکوں کا سبب بن رہا ہے جو مہنگائی کو بلند تر کر رہا ہے۔ مالی سال 2020 میں جاری کھاتے کا خسارہ خاصہ کم ہوا یعنی مجموعی قومی پیداوار کا 1.1 فیصد رہا جس کی وجہ ایشیا کی درآمدات میں رکاوٹ ڈالنے سے تیزی سے کمی اور تیل کی کم تر قیمتیں وغیرہ ہیں۔ چینک دولت پاکستان نے مالی سال کی پہلی سہ ماہی کے اختتام پر 7 فیصد کے پالیسی نرخ کو برقرار رکھا۔ فل الوقت، مجموعی قومی پیداوار کی نمو کی روش منفی ہے، تاہم سال 2021 کے لیے تخمینہ 1.3 فیصد سے 2 فیصد ہے۔

زیر جائزہ سہ ماہی کے دوران، آپ کے مضاربہ کی آمدنی 11.190 ملین روپے رہی جبکہ گذشتہ سال اسی مدت دوران اس کی مالیت 7.48 ملین روپے تھی جو 30 فیصد کا اضافہ ظاہر کرتی ہے۔ زیر جائزہ سہ ماہی کے دوران، آپ کے مضاربہ نے قبل از مینجمنٹ فیس کے 3.591 ملین روپے کا منافع کمایا جو گذشتہ سال 0.443 ملین روپے تھا جس کی اصل وجہ حصص منڈی کے آپریشن سے حاصل منافع ہے۔ آپ کے مضاربہ کی بیلنس شیٹ 366.830 ملین روپے رہی۔ سرٹیفیکیٹ کنندگان کے ملکیتی سرمایہ 312.016 ملین روپے رہا۔

### آمدنی سرٹیفیکیٹ

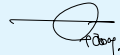
30 ستمبر 2020 پر اختتام پزیر سہ ماہی پر مضاربہ کی آمدنی سرٹیفیکیٹ 0.11 روپے فی سرٹیفیکیٹ رہی اور اس کے مقابلے میں گذشتہ سال کی اسی مدت میں 0.01 روپے فی سرٹیفیکیٹ تھی۔

آپ کی انتظامیہ کوڈ-19 کی وجہ سے پیدا ہونے والے معاشی بحران کے اثرات سے مکمل طور سے آگاہ ہے اور پر عزم ہے کہ وہ متوقع مسائل سے سوچے سمجھے کاروباری منصوبے اور سخت عملی سے نپٹے گی۔

برائے بورڈ آف ڈائریکٹرز کے جانب سے



بشیر احمد چوہدری  
چیف ایگزیکٹو



مظفر شوق  
چیرمین

کراچی

اکتوبر 29، 2020



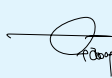
**CONDENSED INTERIM BALANCE SHEET**  
AS AT SEPTEMBER 30, 2020

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		5,221,805	8,093,386
Short term investments	4	19,523,839	18,274,492
Advances, deposits, prepayments and other receivables	5	27,973,891	27,204,641
Short term murabaha finances	6	47,480,526	41,485,468
Current portion of long term murabaha finances		67,702,093	70,578,971
Ijarah rental receivables		18,698,486	17,151,789
Short term musharakah finances (secured - considered good)		29,854,819	31,070,328
Current portion of long term diminishing musharakah finances		622,669	598,411
Tax refunds due from the Government		5,540,914	5,508,038
Stock in trade		429,561	429,561
<b>Total Current Assets</b>		<b>223,048,603</b>	<b>220,395,085</b>
<b>Non-current assets</b>			
Long term murabaha finances	7	4,808,879	6,102,446
Long term diminishing musharakah finances		739,681	893,033
Long term deposits		412,262	412,262
Long term investments	8	16,811,992	9,254,769
Investment property		20,405,000	20,405,000
Fixed assets	9	100,604,290	100,041,154
<b>Total Non-Current Assets</b>		<b>143,782,104</b>	<b>137,108,664</b>
<b>TOTAL ASSETS</b>		<b>366,830,707</b>	<b>357,503,749</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current portion of customers' security deposits		7,891,000	7,651,000
Current portion of deferred income on murabaha		3,180,188	3,702,398
Current portion of lease liabilities against right of use assets		44,647	153,052
Unclaimed dividends		12,891,301	12,891,301
Creditors, accrued and other liabilities	10	3,460,971	1,626,307
<b>Total current liabilities</b>		<b>27,468,107</b>	<b>26,024,058</b>
<b>Non-current liabilities</b>			
Deferred income on murabaha		876,998	822,658
Customers' security deposits		26,469,187	23,791,315
Lease liabilities against right of use assets		-	-
<b>Total Non-Current Liabilities</b>		<b>27,346,185</b>	<b>24,613,973</b>
<b>Total Liabilities</b>		<b>54,814,292</b>	<b>50,638,031</b>
<b>NET ASSETS</b>		<b>312,016,415</b>	<b>306,865,718</b>
<b>REPRESENTED BY</b>			
<b>CAPITAL AND RESERVES</b>			
Certificate capital		298,000,000	298,000,000
Reserves		14,016,415	8,865,718
		<b>312,016,415</b>	<b>306,865,718</b>
Contingencies and commitments	11	-	-

The annexed notes from 1 to 19 form an integral part of these financial statements.

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

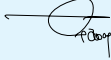
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Note	(Un-audited)	
		September 30, 2020	September 30, 2019
-----Rupees-----			
Income from ijarah	12	1,847,545	2,437,370
Profit on murabaha finances		2,019,378	2,875,136
Profit on musharakah finances		1,488,728	2,072,129
Income from investments - net		3,512,299	88,079
Other income		118,036	587,693
		<u>8,985,986</u>	<u>8,060,407</u>
Unrealized gain/ (loss) on revaluation of held-for-trading investments		2,203,959	(582,315)
		<u>11,189,945</u>	<u>7,478,092</u>
Operating expenses	13	(7,598,193)	(7,034,512)
		<u>3,591,752</u>	<u>443,580</u>
Modaraba Management Company's fee		(359,175)	(44,358)
<b>Profit before taxation</b>		<u>3,232,577</u>	<u>399,222</u>
Sindh Worker Welfare Fund		(64,652)	-
Taxation		(13,500)	-
<b>Net Profit for the Period</b>		<u>3,154,425</u>	<u>399,222</u>
<b>Earnings per Certificate - Basic and Diluted</b>	14	<u>0.11</u>	<u>0.01</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	(Un-audited)	
	<u>September 30, 2020</u>	<u>September 30, 2019</u>
	-----Rupees-----	
Net Profit for the period	3,154,425	399,222
<b>Other comprehensive Income:</b>		
- Net change in fair value of available-for-sale investments	1,996,272	(756,371)
Other comprehensive income/(loss) for the period	1,996,272	(756,371)
<b>Total Comprehensive Income/(loss) for the period</b>	<b>5,150,697</b>	<b>(357,149)</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Note	(Un-audited)	
		September 30, 2020	September 30, 2019
		-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>			
Cash generated from operations	15	(883,497)	1,255,003
<i>Decrease / (increase) in non-current assets:</i>			
- Long term murabaha finances		4,170,445	83,979
- Long term musharakah finances		129,094	401,394
<i>Increase / (decrease) in non-current liabilities:</i>			
- Deferred income on murabaha		(467,870)	(853,201)
- Customers' security deposits		3,085,872	(3,721,050)
Purchase of ijarah assets		(7,360,000)	(4,272,000)
Proceeds from disposal of ijarah assets		168,000	7,277,564
Income tax paid / deducted		(46,376)	(121,173)
<b>Net Cash (used in) / generated from Operating Activities</b>		<b>(1,204,332)</b>	<b>50,516</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of owned assets		(376,900)	(51,350)
Proceeds from disposal of owned assets		9,000	-
(Purchase) / sale of investments - net		(1,467,844)	(780,752)
Repayment of loan		-	(1,000,000)
Long term deposits		186,900	-
Dividends received		90,000	61,550
<b>Net Cash Generated from Investing Activities</b>		<b>(1,558,844)</b>	<b>(1,770,552)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment made against lease liability		(108,405)	-
Profit distributed to certificate holders		-	(18,135)
<b>Net Cash Used in Financing Activities</b>		<b>(108,405)</b>	<b>(18,135)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		<b>(2,871,581)</b>	<b>(1,738,171)</b>
Cash and cash equivalents at the beginning of the period		8,093,386	4,057,050
<b>Cash and Cash Equivalents at the End of the Period</b>		<b>5,221,805</b>	<b>2,318,879</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

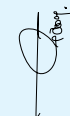
	Certificate Capital	Statutory Reserve	Surplus on Revaluation of Fixed Assets	Revenue Reserves		Total Reserves	Total Equity
				Unrealized Loss on Re-valuation of Investments	Accumulated Loss		
Rupees							
<b>Balance as at June 30, 2019</b>	298,000,000	79,845,133	2,457,200	(6,755,141)	(69,676,475)	5,870,717	303,870,717
Profit for the period	-	-	-	-	399,222	399,222	399,222
Total comprehensive (loss)/income for the period	-	-	-	(756,371)	-	(756,371)	(756,371)
	-	-	-	(756,371)	399,222	(357,149)	(357,149)
<b>Balance as at September 30, 2019</b>	<b>298,000,000</b>	<b>79,845,133</b>	<b>2,457,200</b>	<b>(7,511,512)</b>	<b>(69,277,253)</b>	<b>5,513,568</b>	<b>303,513,568</b>
Balance as at July 01, 2020	298,000,000	80,191,484	2,457,200	(4,867,878)	(68,915,088)	8,865,718	306,865,718
Profit for the period	-	-	-	-	3,154,425	3,154,425	3,154,425
Total comprehensive (loss)/income for the period	-	-	-	1,996,272	-	1,996,272	1,996,272
	-	-	-	1,996,272	3,154,425	5,150,697	5,150,697
<b>Balance as at September 30, 2020</b>	<b>298,000,000</b>	<b>80,191,484</b>	<b>2,457,200</b>	<b>(2,871,606)</b>	<b>(65,760,663)</b>	<b>14,016,415</b>	<b>312,016,415</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

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



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

**NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

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

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

**2. BASIS OF PREPARATION**

This interim condensed financial information is unaudited and is being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting". This should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2020.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The Company's accounting and financial risk management policies and methods of computation of this condensed interim financial information are the same as those followed in the preparation of annual published financial statements for the year ended June 30, 2020.

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
<b>Note</b>	-----Rupees-----	

**4. SHORT TERM INVESTMENTS**

Financial Assets at Fair Value Through Profit and Loss - Held-For-Trading

Meezan Islamic Fund	917,536	796,920
Meezan Islamic Fund	1,589,458	1,415,194
Shares of listed companies	17,016,845	16,062,378
<b>4.1</b>	<b>19,523,839</b>	<b>18,274,492</b>



**NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**4.1 Shares of Listed Companies**

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

Number of shares		Name of Investee	September 30, 2020		June 30, 2020	
Sept 2020	June 2020		Average cost	Market Value	Average Cost	Market Value
-----Rupees-----						
11,000	19,000	Attock Refinery Limited	1,814,772	1,534,280	2,588,873	1,697,080
70,000	70,000	Byco Petroleum Pakistan Limited	1,293,600	712,600	1,293,581	421,400
40,000	20,000	Frieslandcampina Engro Pakistan Limited	3,676,628	3,140,400	2,100,712	1,470,200
70,000	50,000	Fauji Cement Company Limited	1,929,588	1,391,600	1,502,732	844,000
15,000	25,000	The Hub Power Company Limited	1,242,436	1,176,900	2,135,546	1,812,500
17,000	-	Dawood Hercules Corp. Limited	2,263,982	2,106,300	-	-
30,000	-	Engro Fertilizers Limited	1,936,701	1,824,600	-	-
10,000	-	Maple Leaf Cement Factory Limited	374,910	358,900	-	-
17,500	-	Meezan Bank Limited	1,449,643	1,438,675	-	-
6,000	-	Pakistan Oilfields Limited	2,552,941	2,527,980	-	-
12,500	50,000	Hascol Petroleum Limited	266,835	252,250	968,838	680,000
6,000	5,000	Pakistan Petroleum Limited	596,416	552,360	461,026	433,900
-	11,000	Packages Limited	-	-	4,416,045	3,819,310
-	17,000	D.G. Khan Cement Company Limited	-	-	1,457,686	1,450,610
-	2,000	Shell Pakistan Limited	-	-	368,640	365,160
-	3,000	Lucky Cement Limited	-	-	1,350,596	1,384,740
-	15,000	Sui Northern Gas Pipelines Limited	-	-	825,338	819,000
-	20,000	Sui Southern Gas Company Limited	-	-	282,128	266,800
-	3,000	The Searle Company Limited	-	-	601,324	597,678
			<b>19,398,452</b>	<b>17,016,845</b>	<b>20,353,065</b>	<b>16,062,378</b>

**NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
Note	-----Rupees-----	
<b>5. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Loans to / receivable from employees - considered good	484,342	610,340
Current portion of long term deposits	1,187,400	1,374,300
Prepayments	4,485,791	4,805,943
Accrued profit (secured -considered good)	4,203,158	2,879,504
Advances to supplier (considered good)	3,393,000	1,821,113
Trade receivables (secured -considered good)	9,886,352	9,886,352
Legal suits' charges receivable (secured - considered good)	5.1 2,783,702	2,783,702
Receivable against sale of vehicles	5.2 -	1,800,000
Sundry receivables (unsecured -considered good)	5.3 1,550,146	1,243,387
	<u>27,973,891</u>	<u>27,204,641</u>
<b>5.1 Trade receivables</b>		
Gross amount	10,610,210	10,610,210
Allowance for expected credit losses	(723,858)	(723,858)
	<u>9,886,352</u>	<u>9,886,352</u>
<b>5.2 Legal suits' charges receivable</b>		
Gross amount	3,555,652	3,555,652
Allowance for expected credit losses	(771,950)	(771,950)
	<u>2,783,702</u>	<u>2,783,702</u>
<b>5.3 Sundry receivables</b>		
Gross amount	2,446,357	2,139,598
Allowance for expected credit losses	(896,211)	(896,211)
	<u>1,550,146</u>	<u>1,243,387</u>
<b>6. SHORT TERM MURABAHA FINANCES - SECURED</b>		
Considered good	10,411,419	4,416,361
Considered doubtful		
- Regular parties	4,036,596	4,036,596
- Parties under litigation	62,160,811	62,160,811
- Suspended income	(428,000)	(428,000)
	<u>65,769,407</u>	<u>65,769,407</u>
Provision for doubtful receivables	(28,700,300)	(28,700,300)
	<u>47,480,526</u>	<u>41,485,468</u>
<b>7. LONG TERM MURABAHA FINANCES - SECURED</b>		
Considered good	33,203,308	37,801,969
Considered doubtful	42,367,823	41,939,607
Provision for doubtful long term murabaha finances	(3,060,159)	(3,060,159)
	<u>72,510,972</u>	<u>76,681,417</u>
Less: Current portion	(67,702,093)	(70,578,971)
	<u>4,808,879</u>	<u>6,102,446</u>



**NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**8. LONG TERM INVESTMENTS**  
*Long Term Investment at Fair Value through OCI*

**Shares of Listed Companies**

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

Number of shares		Name of Investee	September 30, 2020		June 30, 2020	
Sept 2020	June 2020		Average cost	Market Value	Average Cost	Market Value
-----Rupees-----						
15,000	10,000	Shell Pakistan Limited	3,971,649	3,681,900	2,577,617	1,825,800
60,000	20,000	Sui Northern Gas Pipelines Limited	4,458,058	3,708,600	2,087,390	1,092,000
11,200	5,175	The Searle Company Limited	3,576,859	2,870,672	1,999,367	1,031,015
25,000	15,000	D.G. Khan Cement Company Limited	3,039,179	2,577,750	1,891,516	1,279,950
145,000	130,000	Pakistan Telecommunication Company Limited	2,021,302	1,567,450	1,887,000	1,154,400
7,000	-	Pakistan Petroleum Limited	691,701	644,420	-	-
17,000	-	Oil & Gas Development Co.	1,924,850	1,761,200	-	-
-	4,500	Lucky Cement Limited	-	-	2,575,204	2,077,110
-	30,581	Maple Leaf Cement Factory Limited	-	-	1,104,553	794,494
			<b>19,683,598</b>	<b>16,811,992</b>	14,122,647	9,254,769
					<i>(Un-audited)</i>	<i>(Audited)</i>
					September 30,	June 30
					2020	2020
					Note	-----Rupees-----

**9. FIXED ASSETS**

Operating fixed assets given on lease (ijarah) - tangible	9.1	88,344,166	87,935,874
Operating fixed assets in own use - tangible	9.2	12,226,630	11,971,304
Right of use assets		33,494	133,976
		<b>100,604,290</b>	<b>100,041,154</b>

**9.1 Operating assets given on Ijarah**

Opening written down value	87,935,874	103,576,825
Additions during the period / year	7,360,000	36,566,300
Disposals during the period / year	(168,000)	(23,343,663)
	<b>95,127,874</b>	116,799,462
Depreciation charge for the period / year	(6,783,708)	(28,863,588)
	<b>88,344,166</b>	<b>87,935,874</b>

**NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	<i>(Un-audited)</i> <b>September 30,</b> <b>2020</b>	<i>(Audited)</i> <b>June 30</b> <b>2020</b>
	-----Rupees-----	
<b>9.2 Fixed assets in own use</b>		
Opening written down value	<b>11,971,304</b>	12,262,956
Additions during the period / year	<b>376,900</b>	229,895
Disposals during the period / year	<b>(10,407)</b>	-
	<b>12,337,797</b>	12,492,851
Depreciation charge for the period / year	<b>(111,167)</b>	(521,547)
	<b>12,226,630</b>	11,971,304

**10. CREDITORS, ACCURED AND OTHER LIABILITIES**

Salaries and benefits payable	-	9,363
Payable to Modaraba Management Company	<b>680,102</b>	320,927
Provision for Workers' Welfare Fund	<b>143,498</b>	78,846
Payable to SQZ Business Management Consultancy	<b>159,904</b>	159,904
Accrued Expenses	<b>497,909</b>	582,234
Charity account payable	<b>247,910</b>	109,223
Other liabilities	<b>1,731,648</b>	365,810
	<b>3,460,971</b>	1,626,307

**11. CONTINGENCIES AND COMMITMENTS**

**11.1. Contingencies**

**11.1.1.** "During the last year, a notice was served to Trust Modaraba, along with certain other modarabas, by Sindh Revenue Board (SRB) for the recovery of tax under Sindh Sales Tax on Services Act, 2011 amounting to Rs. 38.50 million comprising unpaid sales tax on services rendered in Sindh from years 2011-12 to 2017-18. The Modaraba along with other Modarabas has filed a petition in Honourable Sindh High Court (SHC) on September 1, 2018 challenging the demand of Sindh Revenue Board (SRB) on the grounds of non-applicability of sales tax. A stay order in this regard has been granted by the SHC stating that no adverse order in respect of the proposed treatment shall be made against the Petitioners.. The management of the Modaraba based on its discussions with its legal counsel is of the view that in light of the stay order of the Court and the merits of the matter involved, the impugned charge of sales tax will be quashed and hence no provision for any sales tax liability on rentals or lease financing has been made in the financial statements.

**11.1.2.** In contravention of section 244 of the Companies Act, 2017; the Modaraba did not transfer the total amount of dividend which remains unpaid or unclaimed to a separate profit bearing account to be called the unpaid dividend account opened by the Modaraba for this purpose in any scheduled bank. Moreover, the Modaraba did not place on its website a statement containing the names, the last known addresses, number of certificates held, the amount of unpaid dividend to be paid to each certificate holder. The Modaraba and every officer of the Modaraba shall be liable to a penalty of level 3 on the standard scale upto Rs. 100 million. The Modaraba may also be liable to additional penalty upto Rs. 0.5 million per day during which the default continues. However, the present management of the Modaraba is of the view that they are not responsible for amounts of dividend before take over management i.e. February 2009 as there were no amount of dividend available in dividend bank account. Hence, no provision has been made in these financial statements as the management believes that the Modaraba is not liable to any penalty.



**NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	<i>(Un-audited)</i> <b>September 30,</b> 2020	<i>(Un-audited)</i> <b>September 30,</b> 2019
	-----Rupees-----	
<b>12 INCOME FROM IJARAH - NET</b>		
Income from leasing and Ijarah operations	<b>9,241,489</b>	10,510,259
Less: Depreciation on fixed assets given on Ijarah	<b>(6,783,708)</b>	(7,351,524)
Less: Insurance on Ijarah assets	<b>(610,236)</b>	(721,365)
	<b><u>1,847,545</u></b>	<u>2,437,370</u>
<b>13. OPERATING EXPENSES</b>		
Salaries, allowances and other benefits	<b>3,445,890</b>	3,343,848
Legal and professional charges	<b>254,000</b>	176,500
Fees and subscription	<b>1,127,262</b>	638,898
Electricity, gas and water	<b>192,012</b>	238,604
Telephone, postage and courier	<b>151,779</b>	137,192
Printing and stationery	<b>121,475</b>	126,751
Traveling and conveyance	<b>94,987</b>	34,668
Entertainment	<b>124,712</b>	149,747
Insurance	<b>57,300</b>	58,362
Vehicle running	<b>515,580</b>	514,688
Newspaper and periodicals	<b>2,285</b>	6,740
Rent, rates and taxes	<b>390,867</b>	495,852
Repairs and maintenance	<b>519,051</b>	385,530
Depreciation on own assets	<b>211,649</b>	144,061
Bank charges and commission	<b>2,391</b>	964
Sales tax	<b>19,835</b>	14,787
Ijarah rental expense - vehicle	<b>330,288</b>	481,104
Miscellaneous	<b>36,830</b>	86,216
	<b><u>7,598,193</u></b>	<u>7,034,512</u>



**NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

(Un-audited) (Un-audited)  
September 30, September 30,  
2020 2019  
-----Rupees-----

**14. EARNINGS PER CERTIFICATE - BASIC & DILUTED**

Profit for the period	<b>Rupees 3,154,425</b>	399,222
Weighted average number of certificates	<b>Number 29,800,000</b>	29,800,000
Earnings per certificate	<b>Rupees 0.11</b>	0.01

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

**15. CASH GENERATED FROM OPERATIONS**

Profit before taxation	<b>3,232,577</b>	399,222
------------------------	------------------	---------

**Adjustments for non-cash and other items:**

- Depreciation:		
- Under ijarah	<b>6,783,708</b>	7,351,524
- In own use	<b>111,167</b>	144,061
- Right of use assets	<b>100,482</b>	-
- Gain on termination of ijarah arrangements	-	(417,893)
- Loss on disposal own assets	<b>1,407</b>	-
- (Profit) on long term investment - available for sale	<b>(488,892)</b>	-
- (Profit) on sale of short term investment	<b>(2,712,407)</b>	-
- Unrealized (gain)/loss on revaluation of held for trading investment	<b>(2,203,959)</b>	582,315
- Workers' Welfare Fund	<b>64,652</b>	-
- Dividend income	<b>(311,000)</b>	(61,550)
	<b>1,345,158</b>	7,598,457
	<b>4,577,735</b>	7,997,679

**Operating profit before working capital changes**

Decrease / (increase) in current assets		
- Advances, deposits, prepayments and other receivables	<b>(956,150)</b>	(1,733,605)
- Short term murabaha finances	<b>(5,995,058)</b>	(1,725,284)
- Short term musharakah finances	<b>1,215,509</b>	(3,181,102)
- Ijarah rental receivables	<b>(1,546,697)</b>	(127,539)
- Creditors, accrued and other liabilities	<b>1,821,164</b>	24,854
	<b>(5,461,232)</b>	(6,742,676)
<b>Cash generated from operations</b>	<b>(883,497)</b>	1,255,003



**NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**16. TRANSACTIONS WITH RELATED PARTIES**

Transactions during the period			(Un-audited) September 30 2020	(Un-audited) September 30 2019
			-----Rupees-----	
Related party	Relationship	Nature of transaction		
Al-Zamin Modaraba Management (Private) Limited	Modaraba Management Company	Management fee and others	359,175	44,358
Employees' Provident Fund	Associated undertaking	Contribution for the period	183,390	167,799
Executives and close relatives thereof	Associated persons	Repayment of loan received	100,000	-
<b>Outstanding Balance for the period</b>				
			-----Rupees-----	
Al-Zamin Modaraba Management (Private) Limited		Payable against management fee and others	680,102	320,927
Executives and close relatives thereof		Loan receivables	200,000	300,000

**17. Non Adjusting Event after the reporting date**

The Board of Directors of the Management Company in their meeting held on September 23, 2020 has decided to pass over the dividend for this year ended on 30th June, 2020 (2019: Nil)

**18. Authorization of Financial Statements**

These financial statements were approved for issue by the Board of Directors of the Management company in their meeting held on October 29, 2020.

**19. Corresponding Figures**

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

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



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