

QUARTERLY REPORT
March 31, 2020



Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (PVT) Ltd.

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CORPORATE INFORMATION

Modaraba Company

Al-Zamin Modaraba Management (Private) Limited

Board of Directors

Mian Sheikh Arshad Farooq	Chairman
Mr. Basheer A. 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

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

Internal Auditors

Grant Thornton Anjum Rahman.
Chartered Accountants

Auditors of the Modaraba

Crowe Hussain Chaudhary & Co.
Chartered Accountants

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
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

Gujranwala Branch

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

Registrars

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

DIRECTORS' REPORT

The Directors of Al-Zamin Modaraba Management (Private) Limited present the financial statements of Trust Modaraba for the quarter ended 31st March, 2020.

Economic growth was expected to gain momentum during the second half of financial year 2019-20 driven by a notable surge in industrial production in December 2020. However, the rapid spread of the COVID-19 virus early this year has brought the world economic activity to a standstill and Pakistan is no exception to it. Major sectors/ sub sectors of the economy have been placed under lockdown in an attempt to contain the spread of the pandemic. The toll as a result of this lockdown is substantial and according to rough estimates economic loss is projected at Rs. 1.3 trillion for Pakistan, On the fiscal side, Government has taken a number of measures to deal with the unexpected situation and foreseen challenges ahead. SBP has reduced policy rate to 11.0 % in March, 2020. Construction industry has also been given relaxations to boost activity. A lot more needs to be done to gear the economy to sustainable growth.

The immediate challenge for the Government is to contain the spread of COVID 19 pandemic whilst minimizing economic losses and protecting the poorest. In the medium to long term, the government should remain focused on implementing structural reforms to boost private investment sustainably. The outbreak of COVID-19 will impact growth beyond FY20.

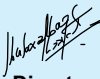
During the nine months under review, your Modaraba has recorded total revenue of Rs. 25.430 million as compared to Rs.23.429million of the previous comparable period. The aforementioned revenue is after excluding Rs.3.670 million unrealized loss on investment held for trading for the quarter ended 31st March 2020 which has been charged to equity as per SRO 278(1)/2020 of SECP instead of profit and loss account. Funds generated were efficiently deployed in fresh business contracts. Operating cost was kept under strict control. After accounting for all the expenses, Modaraba has shown a profit of Rs.1.963 million before management fee for the nine months ended 31st March 2020 as compared to Rs.1.324 million of the previous corresponding period. Balance sheet footing of your Modaraba stood at Rs.357.096 million. Certificate holder's equity stands at Rs.301.342 million.

EARNING PER CERTIFICATE

Earning per certificate of the Modaraba is Rs.0.05 per certificate for the for the nine months ended 31st March 2020 as compared to Rs.0.04 per certificate in the corresponding period last year.

The true impact of the pandemic on the business, recoveries, liquidity, profitability and all allied aspects will be severe in nature and far reaching. Your management is fully alert and proactive in dealing with the situation to best of their abilities, available resources and regulatory support.

For & on behalf of the Board of Directors



Director



Chief Executive

Karachi
April 23, 2020



ڈائریکٹرز رپورٹ

الضامن مضاربہ منجمنٹ (پرائیویٹ) لمیٹڈ کے ڈائریکٹرز 31 مارچ 2020 پر ختم ہونے والی سہ ماہی پر ٹرسٹ مضاربہ کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی سال 20-2019 کے دوسرے نصف کے دوران، دسمبر 2020 میں صنعتی پیداوار کی نمایاں لہر سے توقع تھی کہ معیشت کی نموش میں تیزی آئے گی۔ تاہم، اس سال کے آغاز میں کرونا-19 کے تیزی سے پھیلاؤ نے عالمی معاشی سرگرمیوں کو ساکت کر دیا اور پاکستان بھی اس سے مستثنیٰ نہیں ہے۔ عالمی وبا کے پھیلاؤ کو قابو میں رکھنے کے لیے تمام بڑے اور ذیلی سیکٹرز کی معیشت کی تالہ بندی (lockdown) کر دی گئی ہے۔ اس تالہ بندی کے نتیجے کی قیمت خاصی زیادہ ہے اور ایک محتاط تخمینے کے مطابق پاکستان کا معاشی نقصان کا اندازہ 1.3 کھرب روپے ہے۔ آنے والے دنوں میں غیر متوقع اور ان دیکھے مسائل سے نبرد آزما ہونے کے لیے حکومت نے مالیاتی سمت میں متعدد اقدامات کئے ہیں۔ SBP نے مارچ میں پالیسی نرخ 11.0 فیصد کر دیے ہیں۔ تعمیراتی سرگرمی میں اضافے کے لیے تعمیراتی صنعت کو مراعات بھی دی ہیں۔ معیشت میں اضافے اور نمو کو برقرار رکھنے والی سطح پر لانے کے لیے ابھی مزید اور کرنے کی ضرورت ہے۔


حکومت کے لیے فوری مسئلہ کرونا-19 کی عالمی وبا پر قابو پانے کے ساتھ معاشی نقصانات کو کم کرنا اور غریب ترین لوگوں کو تحفظ دینا ہے۔ وسطیٰ اور طویل المدت کی سطح پر حکومت کو اپنی توجہ ڈھانچانی اصلاحات کے نفاذ پر رکھنی چاہیے تاکہ نجی سرمایہ کاری تسلسل سے جاری رہے۔

آپ کے مضاربہ نے زیر جائزہ نو ماہ کی مدت میں کل 25.430 ملین روپے کی مالگڈاری کا اندراج کیا جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 23.429 ملین روپے تھی۔ مذکورہ بالا مالگڈاری، 31 مارچ 2020 کو اختتام پذیر سے ماہی پر تجارت میں سرمایہ کاری پر حقیقت میں نہ ہونے والا نقصان 3.670 ملین روپے کو نکال کر ہے۔ SECP کے SRO 278(1)/2020 کے تحت اس کو نفع نقصان کے کھاتے میں شامل کرنے کی بجائے اسے ملکی سرمایہ میں شامل کیا گیا ہے۔ حاصل شدہ رقم کو بہتر طور پر نئے کاروباری معاہدات میں استعمال کئے گئے۔ آپریشن کی لاگت کو سختی سے محدود رکھا۔ 31 مارچ 2020 پر اختتام پذیر نو ماہ میں، منجمنٹ کی فیس سے پہلے، تمام اخراجات کا حساب کتاب کرنے کے بعد 1.963 ملین روپے کے منافع کا اندراج کیا جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 1.324 ملین روپے تھی۔ آپ کے مضاربہ کی بیلس شیٹ 357.096 ملین روپے رہی۔ سرٹیفیکیٹ کنندگان کا ملکییتی سرمایہ 301.342 ملین روپے رہا۔

31 مارچ 2020 پر اختتام پذیر سہ ماہی پر آمدنی 0.05 روپے فی سرٹیفیکیٹ رہی جو گزشتہ سال اسی مدت میں 0.04 روپے فی سرٹیفیکیٹ تھی۔ اس عالمی وبا کے کاروبار و وصولیوں، سیالیت، منافع بخش اور تمام متعلقہ پہلوؤں پر حقیقی اثرات شدید نوعیت اور دور رس ہوں گے۔ آپ کی انتظامیہ، متوقع صورتحال سے نبرد آزما ہونے کے لیے اپنی بہترین صلاحیتوں، دستیاب وسائل اور اضابطی معاونت کے ساتھ، پوری طرح سے چوکنا اور تیار ہے۔

بورڈ آف ڈائریکٹرز کے جانب سے


ڈائریکٹر


چیف ایگزیکٹو

کراچی،

23 اپریل 2020

CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2020

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	-----Rupees-----	
ASSETS			
Current assets			
Cash and bank balances		6,306,831	4,057,050
Short term investments	4	8,111,087	8,445,401
Advances, deposits, prepayments and other receivables	5	29,345,844	28,343,871
Short term murabaha finances	6	43,417,993	41,022,319
Current portion of long term murabaha finances	8	75,400,623	79,358,837
Ijarah rental receivables	7	14,995,484	14,756,103
Short term musharakah finances (secured - considered good)		31,142,820	29,336,042
Current portion of long term diminishing musharakah finances		575,097	912,833
Income tax refunds due from the Government		6,179,683	6,094,347
Stock in trade		908,209	1,130,042
Total Current Assets		216,383,671	213,456,845
Non-current assets			
Long term murabaha finances	8	12,357,958	19,764,637
Long term diminishing musharakah finances		1,040,411	1,448,984
Long term deposits		1,599,662	1,800,162
Long term investments	9	4,894,656	5,256,149
Investment property		13,702,550	13,702,550
Fixed assets	10	107,118,003	115,839,781
Total Non-Current Assets		140,713,240	157,812,263
TOTAL ASSETS		357,096,911	371,269,108
LIABILITIES			
Current liabilities			
Current portion of customers' security deposits		7,447,900	12,698,000
Current portion of deferred income on murabaha		4,830,409	6,854,911
Unclaimed dividends		12,891,302	12,930,127
Creditors, accrued and other liabilities	11	919,083	2,618,976
Loan from Modaraba Management Company - interest free unsecured		3,000,000	5,000,000
Total current liabilities		29,088,694	40,102,014
Non-current liabilities			
Deferred income on murabaha		1,353,784	2,685,512
Customers' security deposits		25,312,015	24,610,865
Total Non-Current Liabilities		26,665,799	27,296,377
Total Liabilities		55,754,493	67,398,391
NET ASSETS		301,342,418	303,870,717
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital		298,000,000	298,000,000
Reserves		3,342,418	5,870,717
Contingencies and commitments	12	-	-
		301,342,418	303,870,717

The annexed notes from 1 to 20 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, 2020**

Note	Nine Months ended		Quarter ended		
	March 31 2020	March 31 2019	March 31 2020	March 31 2019	
	-----Rupees-----				
Operating income					
Income from ijarah	13	7,285,260	9,362,954	2,373,848	2,867,407
Profit on murabaha finances		7,898,116	8,827,681	2,487,177	2,187,006
Profit on musharakah finances		6,061,485	4,155,097	2,071,028	1,290,573
Income from investments - net	14	210,098	(219,153)	24,954	(397,484)
Trading income		64,497	992,189	-	355,980
Other income	15	1,924,931	1,083,971	792,717	201,585
		23,444,387	24,202,739	7,749,724	6,505,067
(Provision) / Reversal of provision against non performing finance and other receivables - net		-	335,945	-	-
Unrealized gain / (loss) on revaluation of held-for-trading investment		1,985,928	(1,109,280)	-	43,657
		25,430,315	23,429,404	7,749,724	6,548,724
Operating expenses	16	(23,467,111)	(22,104,788)	(8,225,715)	(7,713,295)
		1,963,204	1,324,616	(475,991)	(1,164,571)
Charge of Modaraba Management Company's fee		(196,320)	(132,462)	47,600	116,457
Profit before taxation		1,766,884	1,192,154	(428,391)	(1,048,114)
Taxation		(150,567)	(72,383)	-	-
Net Profit for the Period		1,616,317	1,119,771	(428,391)	(1,048,114)
Earnings per Certificate - Basic and Diluted		0.05	0.04	(0.01)	(0.04)

The annexed notes from 1 to 20 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, 2020**

	<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>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	-----Rupees-----			
Net Profit for the Period	1,616,317	1,119,771	(428,391)	(1,048,114)
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				
- Net change in fair value of financial assets held at fair value through other comprehensive income S.R.O. 278 (I)/2020. of SECP	(3,669,651)	-	(3,669,651)	-
- Net change in fair value of financial assets held at fair value through other comprehensive income	(474,965)	(1,374,488)	(1,584,467)	(846,249)
Other comprehensive income / (loss) for the period	(4,144,616)	(1,374,488)	(5,254,118)	(846,249)
Total Comprehensive Income / (Loss) for the Period	(2,528,299)	(254,717)	(5,682,509)	(1,894,363)

The annexed notes from 1 to 20 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, 2020**

	Note	<i>Nine Months ended</i>	
		<i>March 31</i> 2020	<i>March 31</i> 2019
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations			
Cash generated from operations	17	12,618,449	33,437,782
<i>Decrease / (increase) in non-current assets:</i>			
- Long term murabaha finances		11,364,893	(3,816,456)
- Long term musharakah finances		746,309	1,982,491
<i>(Decrease) / increase in non-current liabilities:</i>			
- Deferred income on murabaha		(3,356,230)	1,011,283
Purchase of ijarah assets		(32,196,300)	(51,135,650)
Receipts of customers' security deposits		8,227,900	12,284,765
Proceeds from disposal of ijarah assets		7,122,437	4,070,163
Income tax paid / deducted		(235,903)	(952,781)
Net Cash Generated from Operating Activities		4,291,555	(3,118,403)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of owned assets		(229,895)	(319,820)
Proceeds from disposal of owned assets		-	40,000
Purchase of investments - net		(113,472)	665,931
Long term deposits		200,500	485,778
Dividends received		139,918	357,925
Net Cash (Used in) / Generated from Investing Activities		(2,949)	1,229,814
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit distributed to certificate holders		(38,825)	(85)
Loan repaid to the Modaraba Management Company		(2,000,000)	-
Net Cash Used in Financing Activities		(2,038,825)	(85)
Net (Decrease) / Increase in Cash and Cash Equivalents		2,249,781	(1,888,674)
Cash and cash equivalents at the beginning of the period		4,057,050	4,161,839
Cash and Cash Equivalents at the End of the Period		6,306,831	2,273,165

The annexed notes from 1 to 20 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, 2020**

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)/2020		
Balance as at June 30, 2018	298,000,000	79,637,766	2,457,200	(3,586,151)	-	(70,505,945)	306,002,870
Net profit for the period	-	-	-	-	-	1,119,771	1,119,771
Other comprehensive loss for the period	-	-	-	(1,637,302)	-	(1,637,302)	(1,637,302)
Total comprehensive (loss) / income for six months period ended March 31, 2019	-	-	-	(1,637,302)	-	1,119,771	(517,531)
Balance as at March 31, 2019	298,000,000	79,637,766	2,457,200	(5,223,453)	-	(69,386,174)	305,485,339
Balance as at June 30, 2019	298,000,000	79,845,133	2,457,200	(6,755,141)	-	(69,676,475)	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	-	-	-	(474,965)	-	(3,669,651)	(3,669,651)
Other comprehensive income for the period	-	-	-	(474,965)	-	(474,965)	(474,965)
Total comprehensive income for six months period ended March 31, 2020	-	-	-	(474,965)	(3,669,651)	1,616,317	(2,528,299)
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

The annexed notes from 1 to 20 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, 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 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 and 51-A, Adjacent Standard Chartered Bank, Trust Plaza G.T Road, Gujranwala.

2. BASIS OF PREPARATION

These interim condensed financial statements are unaudited and are 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 -34, "Interim Financial Reporting". This should be read in conjunction with the financial statement of the Modaraba for the year ended June 30, 2019.

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, 2019.

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>March 31</i>	<i>June 30</i>
	<i>2020</i>	<i>2019</i>
<i>Note</i>	<i>-----Rupees-----</i>	

4. SHORT TERM INVESTMENTS

Financial assets held at fair value through profit and loss:

NIT Islamic Unit Fund - at cost	1,229,137	2,187,970
Meezan Islamic Fund - at cost	1,763,965	1,763,965
Shares of listed companies - at cost	12,757,222	10,448,980
	15,750,324	14,400,915
Unrealized loss on revaluation - net	(7,639,237)	(5,955,514)
	<u>8,111,087</u>	<u>8,445,401</u>

**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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	(Un-audited)		(Audited)	
March 31, 2020	June 30, 2019		Average cost	Market Value	Average Cost	Market Value
-----Rupees-----						
9,425	9,425	Attock Refinery Limited	1,743,403	625,914	1,743,403	728,270
70,000	70,000	Byco Petroleum Pakistan Ltd	1,293,600	366,100	1,293,600	448,700
3,000	3,000	D.G Khan Cement Co. Ltd	293,547	177,750	293,547	169,620
2,500	1,100	Engro Corporation	727,336	667,250	323,038	292,160
40,000	40,000	Fauji Cement Company Ltd	1,334,304	592,400	1,334,304	629,200
12,000	12,000	Frieslandcampina Engro Pakistan Ltd	1,573,598	691,920	1,573,598	699,960
27,500	-	Hascol Petroleum Ltd	641,525	320,375	-	-
4,000	4,000	Hub Power Company Limited	503,750	273,080	503,750	315,000
-	7,000	Lotte Chemical Pakistan Ltd	-	-	111,611	106,750
1,500	-	Lucky Cement	712,308	556,050	-	-
5,600	5,600	Packages Limited	2,712,662	1,278,543	2,712,662	1,683,136
1,300	1,300	Pakistan Oxygen Limited	296,123	182,572	296,123	195,000
1,000	1,000	Shell Pakistan Ltd	263,342	116,560	263,344	182,463
10,000	-	Sui Northern Gas Pipelines Ltd	542,638	369,000	-	-
7,500	-	Sui South Gas Company	119,086	87,000	-	-
			12,757,222	6,304,514	10,448,980	5,450,259

- 4.2 Unrealised loss on revaluation for the quarter ended Rs. 3,669,651/-transferred to Equity as per S.R.O. 278(I)/2020, of SECP.

(Un-audited)	(Audited)
March 31,	June 30,
2020	2019
-----Rupees-----	

5. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Loans to / receivable from employees - considered good	726,772	1,737,404
Current portion of long term deposits	186,900	186,900
Prepayments	4,526,244	4,522,906
Accrued profit	4,625,419	4,701,611
Advance against Supplier	1,770,600	-
Trade receivables - considered good	10,821,322	11,601,100
Legal suits' charges receivable	3,788,953	3,658,953
Provision for doubtful receivables	(771,950)	(771,950)
	3,017,003	2,887,003
Sundry receivables	4,170,038	3,205,401
Provision for doubtful receivables	(498,454)	(498,454)
	3,671,584	2,706,947
	29,345,844	28,343,871



**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	<i>(Un-audited)</i> March 31, 2020	<i>(Audited)</i> June 30 2019
Note	-----Rupees-----	
5.1 Accrued profit		
Profit receivable on musharakah finances	1,615,008	1,691,200
Profit receivable on murabaha finances	4,379,094	4,379,094
Suspended income	(1,368,683)	(1,368,683)
	3,010,411	3,010,411
	4,625,419	4,701,611
6. SHORT TERM MURABAHA FINANCES - SECURED		
Considered good	13,395,893	10,572,219
Considered doubtful:		
- Regular parties	-	6,218,088
- Parties under litigation	59,150,400	52,932,312
	59,150,400	59,150,400
Provision for classified receivables under Prudential Regulations for Modarabas	(29,128,300)	(28,700,300)
	43,417,993	41,022,319
7. IJARAH RENTAL RECEIVABLES - SECURED		
Considered good	1,029,394	642,783
Considered doubtful:		
- Regular parties	-	123,056
- Parties under litigation	34,824,912	34,849,086
Suspended ijarah income - considered doubtful	(17,900,639)	(17,900,639)
Provision for doubtful ijarah rental receivables	(2,958,183)	(2,958,183)
	14,995,484	14,756,103
8. LONG TERM MURABAHA FINANCES - SECURED		
Considered good	42,144,510	55,455,838
Considered doubtful	48,340,678	46,394,243
	90,485,188	101,850,081
Provision for doubtful long term murabaha finances	(2,726,607)	(2,726,607)
	87,758,581	99,123,474
Current / overdue portion grouped under current assets	(75,400,623)	(79,358,837)
	12,357,958	19,764,637
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.		

**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

		<i>(Un-audited)</i>		<i>(Audited)</i>	
		<i>March 31,</i>		<i>June 30</i>	
		<i>2020</i>		<i>2019</i>	
<i>Note</i>		<i>-----Rupees-----</i>			
8.2	Considered doubtful Suspended income	51,829,135		49,833,912	
8.2.1		(3,488,457)		(3,439,669)	
8.2.2		48,340,678		46,394,243	
8.2.1	Suspended income				
	Opening balance	3,439,669		3,613,002	
	Recovery during the period / year	(111,512)		(676,471)	
	Suspension made during the period / year	160,300		503,138	
		3,488,457		3,439,669	

8.2.2 This includes receivable from 4 (June 30, 2019: 4) 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 (June 30, 2019: 3) cases for recovery of Rs. 60.662 million (June 30, 2019: Rs. 60.662 million) out of which Rs. 15.5 million have been recovered.

9. LONG TERM INVESTMENTS

Financial assets held at fair value through other comprehensive income:

Equity securities (quoted - at cost)	9.1	11,500,747		11,387,275	
Unrealized loss on revaluation of investments		(6,606,091)		(6,131,126)	
Net investments at fair value		4,894,656		5,256,149	

9.1 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, 2020	June 30, 2019		Average cost	Market Value	Average Cost	Market Value
<i>-----Rupees-----</i>						
8,000	8,000	D.G Khan Cement Co. Limited	1,321,722	474,000	1,321,722	452,320
3,500	3,500	Lucky Cement Limited	2,112,901	1,297,450	2,112,901	1,331,645
11,000	11,000	Sui North Gas Pipeline Limited	1,589,637	405,900	1,589,637	764,390
110,000	110,000	Pakistan Telecommunication company Limited	1,723,144	852,500	1,723,144	909,700
20,581	11,125	Maple Leaf Cement Factory Limited	843,675	426,438	730,203	265,776
3,000	3,000	Shell Pakistan	1,318,331	349,680	1,318,331	547,380
10,000	10,000	Pioneer Cement Limited	591,961	277,000	591,961	226,500
5,175	5,175	The Searle Company Limited	1,999,376	811,688	1,999,376	758,438
			11,500,747	4,894,656	11,387,275	5,256,149



**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

		<i>(Un-audited)</i> March 31, 2020	<i>(Audited)</i> June 30 2019
Note		-----Rupees-----	
10. FIXED ASSETS			
Intangible asset	10.1	-	-
Operating fixed assets given on lease / ijarah - tangible	10.2	95,030,446	103,576,825
Operating fixed assets in own use - tangible	10.3	12,087,557	12,262,956
		<u>107,118,003</u>	<u>115,839,781</u>
10.1	This represents fully amortized Enterprise Resource Planning (ERP) software costing Rs. 1.05 million.		
10.2 Operating assets given on ijarah			
Opening written down value		103,576,825	83,315,572
Additions during the period / year		32,196,300	67,439,150
Disposals during the period / year		(18,626,061)	(19,864,812)
		<u>117,147,064</u>	<u>130,889,910</u>
Depreciation charge for the period / year		(22,116,618)	(27,313,085)
		<u>95,030,446</u>	<u>103,576,825</u>
10.3 Fixed assets in own use			
Opening written down value		12,262,956	22,913,487
Additions during the period / year	10.3.1	229,895	356,498
Disposals / transfers during the period / year		-	(10,397,550)
		<u>12,492,851</u>	<u>12,872,435</u>
Depreciation charge for the period / year	10.3.2	(405,294)	(609,479)
		<u>12,087,557</u>	<u>12,262,956</u>
10.3.1 Additions during the period / year			
Furniture and fixtures		115,815	96,520
Office equipment		75,530	156,278
Electrical equipment		38,550	103,700
		<u>229,895</u>	<u>356,498</u>
10.3.2 Book value at the end of period / year			
Land	10.3.2.1	10,728,400	10,728,400
Furniture and fixtures		323,336	279,245
Office equipment		637,330	715,266
Vehicles		130,062	207,765
Electrical equipment		268,429	332,280
		<u>12,087,557</u>	<u>12,262,956</u>

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, 2020**

	<i>(Un-audited)</i> March 31,	<i>(Audited)</i> June 30
	2020	2019
Note	-----Rupees-----	
11. CREDITORS, ACCURED AND OTHER LIABILITIES		
Salaries and benefits payable	-	9,360
Payable to Modaraba Management Company	196,320	133,116
Payable to SQZ Business Management Consultancy (Pvt) Ltd.	159,904	159,904
Other liabilities	562,859	2,316,596
11.1	919,083	2,618,976

- 11.1** It includes charity payable amounting to Rs. 100,737 (June 30, 2019: Rs. 100,054). The reconciliation is as follows:

Opening balance	100,054	66,292
Additions during the period / year	683	50,762
Charity paid during the period / year	-	(17,000)
Closing balance	100,737	100,054

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, 2019.

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,	<i>(Audited)</i> June 30
	2020	2019
Note	-----Rupees-----	
Not later than one year	1,383,876	1,800,000
Later than one year and not later than five years	571,752	1,219,602
	1,955,328	3,019,602
Disbursements of Ijarah / Murabaha / Musharakah to be made	-	2,000,000



**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	(Un-audited)			
	Nine Months ended		Quarter ended	
	March 31 2020	March 31 2019	March 31 2020	March 31 2019
-----Rupees-----				
13. Income from Ijarah - net				
Income from leasing and ijarah operations	31,561,299	28,739,010	10,592,734	10,779,857
Income suspended during the year	-	-	-	(10,460)
Receipts against suspended income	-	1,572,383	-	156,289
	31,561,299	30,311,393	10,592,734	10,925,686
Less: Depreciation on fixed assets given on ijarah	(22,116,618)	(19,365,709)	(7,495,661)	(7,453,930)
Less: Insurance on ijarah assets	(2,159,421)	(1,582,730)	(723,225)	(604,349)
	7,285,260	9,362,954	2,373,848	2,867,407
14. Income from Investments - net				
Dividend income on equity investments	132,218	310,980	-	9,076
Profit on long term investments	-	52,964	-	7,218
Profit / (loss) on sale of short term investments	77,880	(583,097)	24,954	(413,778)
	210,098	(219,153)	24,954	(397,484)
15. Other Income				
Processing, documentation, other fees and charges	275,600	293,390	129,350	106,030
Gain on disposal of fixed assets	1,273,226	514,441	547,856	(3,088)
Miscellaneous income	376,105	276,140	115,511	98,643
	1,924,931	1,083,971	792,717	201,585
16. Operating Expenses				
Salaries, allowances and other benefits	10,272,065	10,332,016	3,369,631	3,818,805
Legal and professional charges	765,078	442,246	427,000	234,998
Fees and subscription	2,925,989	2,242,828	1,441,429	846,221
Electricity, gas and water	717,787	595,912	147,472	155,915
Telephone, postage and courier	546,548	537,575	168,439	153,078
Rent, rates and taxes	1,497,971	1,430,628	503,322	503,367
Auditors' remuneration	-	80,000	-	80,000
Printing and stationery	553,425	640,646	156,041	158,928
Travelling and conveyance	468,216	234,776	182,406	26,701
Entertainment	409,856	431,116	111,907	124,225
Insurance	165,375	169,299	48,912	52,652
Advertisement	144,931	287,600	-	-
Vehicle running	1,587,148	1,492,008	517,100	513,530
Newspaper and periodicals	20,292	20,109	7,832	8,578
Repairs and maintenance	1,137,282	1,160,492	325,558	378,290
Depreciation on own assets	405,294	463,451	118,139	145,710
Ijarah rental expense - vehicle	1,427,760	1,350,000	473,328	450,000
Bank charges and commission	4,001	24,318	366	6,188
Sales Tax	39,416	45,772	23,714	19,646
Miscellaneous	378,677	123,996	203,119	36,463
	23,467,111	22,104,788	8,225,715	7,713,295

**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

	----- <i>(Un-audited)</i> -----	
	<i>March 31,</i>	<i>March 31</i>
	<i>2020</i>	<i>2019</i>
	----- <i>Rupees</i> -----	
17. Cash Generated From Operations		
Profit before taxation	1,766,884	1,192,154
Adjustments for non-cash and other items:		
- Depreciation:		
Under ijarah	22,116,618	19,365,709
In own use	405,294	463,451
- Charges / (reversal) against short term murabaha receivables - net	-	(19,831)
- Charges / (reversal) against ijarah rentals receivables - net	-	(400,614)
- Charges / (reversal) against legal suits' charges receivables - net	-	84,500
- Gain on termination / disposal of ijarah assets	(1,273,226)	(474,441)
- Gain on disposal of owned assets	-	(40,000)
- Profit on long term investment - available for sale	-	(47,019)
- (Gain) / loss realized on sale of short term investment - held for trading	(77,880)	577,152
- Unrealized (gain) / loss on revaluation of short term investments - held for trading	(1,985,928)	1,109,280
- Dividend income	(132,218)	(310,980)
	19,052,660	20,307,207
Operating profit before working capital changes	20,819,544	21,499,361
Decrease / (increase) in current assets		
- Short term investment - net	(1,271,529)	(3,649,806)
- Advances, deposits, prepayments and other receivables	(1,009,673)	790,173
- Short term murabaha finances	(2,395,674)	7,663,927
- Short term musharakah finances	(1,806,778)	4,350,000
- Ijarah rental receivables	(239,381)	4,877,426
- Stock in trade	221,833	3,888,955
(Decrease) / increase in current liabilities		
- Creditors, accrued and other liabilities	(1,699,893)	(5,982,254)
	(8,201,095)	11,938,421
Cash generated from operations	12,618,449	33,437,782

18. 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.



**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

<i>Transactions during the period</i>			<i>Nine Months ended March 31,</i>	
			<i>2020</i>	<i>2019</i>
			<i>----- (Un-audited) -----</i>	
			<i>----- Rupees -----</i>	
<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>		
Al-Zamin Modaraba Management (Private) Limited	Modaraba Management Company	Management fee and others	196,320	132,462
			-	1,841,485
Employees' Provident Fund	Associated undertaking	Contribution for the period	515,385	473,149
Executives and close relatives thereof	Associated persons	Repayment of loan	1,018,002	133,332
			133,332	599,999
		Receipt of principal under long term diminishing musharakah finances	-	200,000
		Receipts of profit under long term diminishing musharakah finances	-	9,998
<i>Outstanding Balances as at,</i>			March 31,	June 30,
			2020	2019
			(Un-audited)	(audited)
			----- Rupees -----	
Al-Zamin Modaraba Management (Private) Limited		Payable against management fee and others	196,320	133,116
		Loan payable	3,000,000	5,000,000
Executives and close relatives thereof		Loan receivables	330,000	1,048,002
		Receivable against sale of vehicle	-	332,062

19. Date of Authorization for Issue

These condensed interim financial statements (un-audited) are approved and authorized for issuance on April 23, 2020 by the Board of Directors of the Management Company.

20. General

Corresponding figures have been rearranged, wherever necessary, to facilitate comparison. Following rearrangements have been made during the period for better presentation:

**THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

<i>Nature</i>	<i>From</i>	<i>To</i>	<i>Amount</i>
Dividend income on equity investments	Face of condensed interim profit and loss account	Income from investments - net (Note 14)	310,980
Profit on disposal of long term investments - available-for-sale	Face of condensed interim profit and loss account	Income from investments - net (Note 14)	52,964
Loss on disposal of short term investments - held-for-trading	Operating expenses (Note 16)	Income from investments - net (Note 14)	583,097
Depreciation on fixed assets given on ijarah	Face of condensed interim profit and loss account	Income from investments - net (Note 13)	19,365,709
Insurance expense on ijarah assets	Operating expenses (Note 16)	Income from investments - net (Note 13)	1,582,730

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



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

BOOK POST

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