



# Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (Private) Limited.

## QUARTERLY **REPORT**

SEPTEMBER 30, 2022



[www.trustmodaraba.com](http://www.trustmodaraba.com)

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# CORPORATE INFORMATION

## MODARABA COMPANY

AI-Zamin Modaraba Management (Private) Limited

### BOARD OF DIRECTORS

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

### MANAGEMENT

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

### AUDIT COMMITTEE

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

### HUMAN RESOURCE COMMITTEE

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

### INTERNAL AUDITORS

UHY Hassan Naeem & Co.  
Chartered Accountants

### AUDITORS OF THE MODARABA

Grant Thornton Anjum Rahman.  
Chartered Accountants

### BANKER

Meezan Bank Limited

### LEGAL ADVISORS

Holscott International  
S&B Durrani Law Associates

### REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

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

### REGIONAL OFFICE

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

### REGISTRARS

Hameed Majeed Associates (Private) Limited  
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, the management company of Trust Modaraba are pleased to present the un-audited financial statements of Trust Modaraba for the quarter ended 30th September, 2022.

### ECONOMY

Pakistan's economy is experiencing high inflationary and external pressures specially on Pak Rupee. In response to elevated inflationary pressures, State Bank of Pakistan in addition to further tightening of the monetary policy has also introduced measures to dampen import demand specially by imposing ban on import of non-essential and luxury items. The conflict between Russia and Ukraine has caused major disruptions to the supply of commodities in the international market. Both the countries are major exporters of energy and agricultural products. These disruptions have exacerbated existing stresses in the commodity markets following an already sluggish recovery from COVID 19 pandemic. The recent floods in Pakistan have affected cotton and other important crops making the performance of agricultural sector more vulnerable. The economic outlook in the ensuing period will be shaped largely by the restoration of political stability and continued implementation of reforms under the revised IMF program to stabilize economy and restore fiscal and external buffers.

### PERFORMANCE

Trust Modaraba maintained stable trend of performance during the period under review. Total income of the Modaraba was recorded at Rs.9.9 million for the quarter ended on 30th September, 2022. Income from dividends and unrealized gain on revaluation of held for trading investments provided positive results due to close monitoring of the stock market performance and executing timely decisions. Strict discipline was enforced in the operating expenses and as a result a reduction of 20% was achieved over the comparable quarter of previous year. After accounting for all the expenses, your Modaraba recorded profit before management fee and tax to the tune of Rs.1.4 million during the quarter under review. Net profit after taxation was registered at Rs.1.1 million for the first quarter of the current financial year.

Asset base of your Modaraba stood at Rs.412.6 million as at 30th September, 2022 with an equity of Rs.321.9 million after incorporating unrealized loss of Rs.5.8 million on revaluation of investments.

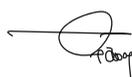
Whilst various plans are under consideration to augment the resource base and profitability of the Modaraba, recovery from litigated portfolio remains a priority area for the management for which all out efforts are being made to achieve early settlement.

### EARNINGS PER CERTIFICATE

Earnings per certificate of your Modaraba stood at Rs.0.04 for the quarter ended on 30th September, 2022 as compared to earnings per certificate of Rs.0.46 achieved during the previous comparable quarter which included one time gain achieved as a result of settlement of a case in litigation.

Your management is making all out efforts to augment growth and profitability of the Modaraba for the benefit of all the stakeholders.

For and on behalf of Trust Modaraba



DIRECTOR



CHIEF EXECUTIVE

28th October, 2022.

## ڈائریکٹرز کی رپورٹ

الضامن مضاربہ میٹجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز (بورڈ کے ناظمین)، جو ٹرسٹ مضاربہ کی میٹجمنٹ کمپنی ہے، کی جانب سے 30 ستمبر 2022 اختتام پذیر سہ ماہی پر مضاربہ کی ڈائریکٹرز کی رپورٹ بمع غیر محتسب شدہ مالیاتی دستاویزات اپنے سرٹیفیکیٹ کنندگان کو پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### معاشی جائزہ

پاکستان کی معیشت، خاص طور پر روپے، کو زیادہ افراطی اور بیرونی دباؤ کا سامنا ہے۔ بڑھی ہوئے افراطی دباؤ کے پس منظر میں، بینک دولت پاکستان نے مالیاتی پالیسی میں مزید اضافی سختی کرنے کے علاوہ درآمدات کی طلب کو کم کرنے کے لیے خاص طور پر غیر ضروری اور لگشری اشیاء کی درآمد پر پابندی لگادی ہے۔ روس اور یوکرین کے تنازع نے بین الاقوامی منڈی میں اجناس کی فراہمی میں تعطل پیدا کر دیا ہے۔ دونوں ممالک توانائی اور زرعی مصنوعات کے بڑے برآمد کنندگان ہیں۔ کووڈ-19 کی عالمی وباء سے سست روی سے بحالی کے بعد اس تعطل نے اجناس کی منڈی کے موجودہ دباؤ میں بگاڑ پیدا کیا ہے۔ پاکستان میں حالیہ سیلاب نے کپاس اور دیگر اہم فصلوں کو متاثر کیا ہے جس سے زرعی سیکٹر زیادہ کمزور ہو گا۔ مذکورہ مدت میں معاشی منظر نامے کا انحصار زیادہ تر سیاسی استحکام کی بحالی اور IMF کے تبدیل شدہ پروگرام میں طے شدہ اصلاحات کا مسلسل نفاذ پر ہو گا تاکہ معیشت کا استحکام اور اقتصادی اور بیرونی بفر بحال ہو سکیں۔

### کارکردگی کا جائزہ

زیر جائزہ مدت کے دوران، ٹرسٹ مضاربہ نے مستحکم کارکردگی کا رجحان برقرار رکھا۔ 30 ستمبر 2022 کو اختتام پذیر سہ ماہی میں مضاربہ کی کل آمدنی نے 9.9 ملین روپے کا اندراج کیا۔ منقسمہ منافع سے آمدنی اور تجارتی سرمایہ کے لیے روکے ہوئے کی دوبارہ قدر پذیری سے ہونے والے غیر حقیقی فائدہ نے مثبت نتائج دیئے جس کی وجہ حصص منڈی کی کارکردگی کی بہتر نگرانی اور بروقت فیصلوں پر عمل درآمد تھا۔ آپریٹنگ اخراجات پر سخت نظم و ضبط نافذ کیا گیا جس کی وجہ سے گزشتہ سال اسی مدت کے مقابلے میں 20 فیصد کی کمی ہوئی۔ زیر جائزہ سہ ماہی میں، تمام اخراجات کا حساب کتاب کرنے کے بعد، آپ کے مضاربہ نے 1.4 ملین روپے کا منافع قبل از میٹجمنٹ فیس اور محصول کا اندراج کیا۔ جاری مالی سال کے پہلی سہ ماہی میں 1.1 ملین روپے کے خالص منافع بعد از محصول کا اندراج کیا۔

30 ستمبر 2022 پر آپ کے مضاربہ کی اثاثہ کی بنیاد 412.6 ملین روپے کے ساتھ ملکیتی سرمایہ 321.9 ملین روپے رہی جس میں سرمایہ کاری کی دوبارہ قدر پذیری کے بعد ہونے والا 5.8 ملین روپے کا غیر حقیقی نقصان شامل ہے۔ جبکہ، مضاربہ کے ذرائع اور منافع بخشی میں اضافے کے لیے متعدد منصوبے زیر غور ہیں جن میں شامل ہیں مقدمے بازی کا شکار پورٹ فولیو سے بحالی، انتظامیہ کی ترجیح میں شامل ہے اور اس کے جلدی تصفیے کے لیے ہر ممکن کوششیں کی جا رہی ہیں۔

### آمدنی فی سرٹیفیکیٹ

30 ستمبر 2022 کو ختم ہونے والی سہ ماہی پر آمدنی فی سرٹیفیکیٹ 0.04 روپے فی سرٹیفیکیٹ رہی جبکہ گزشتہ سال پہلی سہ ماہی میں یہ آمدنی 0.46 روپے فی سرٹیفیکیٹ تھی جس میں ایک مرتبہ مقدمے بازی کے شکار کیسز کے تصفیے سے ہونے والا اضافہ شامل تھا۔ آپ کی انتظامیہ، مضاربہ کے تمام شرکاء مفاد کے فائدے کے لیے نمو اور منافع بخشی میں اضافے کے لیے بھرپور کوششیں کر رہی ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

# CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2022

		(Un-audited) September 30 2022	(Audited) June 30 2022
<b>ASSETS</b>	<b>Note</b>	-----Rupees-----	
<b>Current Assets</b>			
Cash and bank balances		13,298,436	7,690,515
Short term investments	4	32,050,604	32,908,149
Advances, deposits, prepayments and other receivables	5	10,893,117	28,291,113
Short term murabaha finances	6	29,175,917	30,990,535
Ijarah rental receivables		4,055,006	4,048,929
Current portion of long term murabaha finances		76,079,833	79,992,821
Short term musharakah finances (secured - considered good)		24,756,998	23,689,845
Current portion of long term diminishing musharakah finances		4,407,708	1,704,637
Deferred taxation		1,160,917	1,160,917
Income tax refundable		3,157,562	3,072,891
		199,036,098	213,550,352
Assets classified as held for sale		8,625,000	8,625,000
<b>Total Current Assets</b>		<b>207,661,098</b>	<b>222,175,352</b>
<b>Non-Current Assets</b>			
Murabaha finances	7	12,321,171	19,195,330
Diminishing musharakah finances		12,945,634	2,773,749
Deposits		707,962	1,106,562
Investments	8	7,005,730	7,281,478
Fixed assets	9	171,983,798	163,055,963
<b>Total Non-Current Assets</b>		<b>204,964,295</b>	<b>193,413,082</b>
<b>Total Assets</b>		<b>412,625,393</b>	<b>415,588,434</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Unclaimed profit distributions		12,834,792	12,834,792
Creditors, accrued and other liabilities	10	7,096,670	11,361,125
Current portion of deferred income on murabaha		5,705,734	6,698,560
Current portion of customers' security deposits		8,565,900	8,810,600
Current portion of lease liabilities against right of use assets		451,032	430,555
Due to director		5,000,000	5,000,000
<b>Total Current Liabilities</b>		<b>39,654,128</b>	<b>45,135,632</b>
<b>Non-Current Liabilities</b>			
Deferred income on murabaha		1,406,984	2,366,206
Customers' security deposits		47,860,913	45,071,713
Lease liabilities against right of use assets		1,843,277	1,964,011
<b>Total Non-Current Liabilities</b>		<b>51,111,174</b>	<b>49,401,930</b>
<b>Total Liabilities</b>		<b>90,765,302</b>	<b>94,537,562</b>
<b>NET ASSETS</b>		<b>321,860,091</b>	<b>321,050,872</b>
<b>REPRESENTED BY</b>			
<b>CAPITAL AND RESERVES</b>			
Certificate capital		298,000,000	298,000,000
Reserves		29,664,521	28,579,554
<b>Total Equity</b>		<b>327,664,521</b>	<b>326,579,554</b>
Unrealized loss on revaluation of investments	11	(5,804,430)	(5,528,682)
		<b>321,860,091</b>	<b>321,050,872</b>
Contingencies and commitments	12	-	-

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

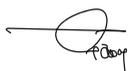
**For Al-Zamin Modaraba Management (Private) Limited**  
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

		(Un-audited)	
		September 2022	September 2021
		-----Rupees-----	
	Note		
Income from ijarah	14	4,289,845	5,365,645
Profit on murabaha finances		2,414,508	3,006,115
Profit on musharakah finances		1,787,402	1,854,784
Income from investments - net	15	1,134,642	820,547
Other income	16	304,566	37,650,662
		<b>9,930,963</b>	<b>48,697,753</b>
(Provision) / Reversal of provision against assets		-	(10,110,482)
Bad Debts Written off		-	(319,099)
Unrealized gain/(loss) on revaluation of held-for-trading investments		805,280	(7,808,056)
		<b>10,736,243</b>	<b>30,460,116</b>
Operating expenses	17	<b>(9,371,650)</b>	<b>(11,740,657)</b>
		<b>1,364,593</b>	<b>18,719,459</b>
Modaraba Management Company's fee		<b>(136,459)</b>	<b>(1,871,946)</b>
<b>Profit before Taxation</b>		<b>1,228,134</b>	<b>16,847,513</b>
Sindh Worker Welfare Fund		<b>(24,563)</b>	<b>(336,950)</b>
Taxation		<b>(118,604)</b>	<b>(2,928,577)</b>
<b>Net Profit for the period</b>		<b>1,084,967</b>	<b>13,581,986</b>
<b>Earnings per Certificate - Basic and Diluted</b>		<b>0.04</b>	<b>0.46</b>

The annexed notes from 1 to 21 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, 2022**

	(Un-audited)	
	September 2022	September 2021
	-----Rupees-----	
<b>Net Profit for the period</b>	<b>1,084,967</b>	13,581,986
<b>Other Comprehensive Income:</b>		
- Net change in fair value of investments classified as fair value through other comprehensive income/(loss)	<b>(275,748)</b>	(1,272,560)
Other comprehensive income/(loss) for the period	<b>(275,748)</b>	(1,272,560)
<b>Total Comprehensive Income/(loss) for the period</b>	<b>809,219</b>	12,309,426

The annexed notes from 1 to 21 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, 2022**

	Note	(Un-audited)	
		September 2022	September 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from/(used) operations</b>			
Cash generated from operations	18	23,486,228	50,140,311
Decrease / (increase) in non-current assets:			
- Long term murabaha finances		10,787,147	3,047,988
- Long term musharakah finances		(12,874,956)	101,557
Increase / (decrease) in non-current liabilities:			
- Deferred income on murabaha		(1,952,048)	870,373
- Customers security deposits		4,229,200	8,576,600
Purchase of ijarah assets		(20,712,000)	(37,181,500)
Proceeds from disposal of ijarah assets		888,006	143,365
Income tax paid / deducted		(203,275)	(2,992,070)
<b>Net Cash (Used in) / Generated from Operating Activities</b>		<b>3,648,302</b>	<b>22,706,624</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of owned assets		(1,162,172)	(408,800)
Proceeds from disposal of owned assets		5,040	13,000
(Purchase) / sale of investments - net		1,136,465	(18,156,773)
Long term deposits		398,600	-
Dividends received		1,681,943	535,000
<b>Net Cash Generated from Investing Activities</b>		<b>2,059,876</b>	<b>(18,017,573)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment made against lease liability		(100,257)	-
Profit distributed to certificate holders		-	(769)
<b>Net Cash Used in Financing Activities</b>		<b>(100,257)</b>	<b>(769)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		<b>5,607,921</b>	<b>4,688,282</b>
Cash and cash equivalents at the beginning of the period		7,690,515	5,394,699
<b>Cash and Cash Equivalents at the End of the period</b>		<b>13,298,436</b>	<b>10,082,981</b>

The annexed notes from 1 to 21 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, 2022**

Particulars	Certificate Capital	Capital reserves	Revenue Reserves	Total Reserves	Total Equity
		Statutory Reserve	Accumulated loss		
Rupees					
<b>Balance as at June 30, 2021</b>	298,000,000	81,512,797	(63,929,835)	17,582,962	315,582,962
Profit for the period	-	-	13,581,986	13,581,986	13,581,986
Total comprehensive (loss)/income for the period	-	-	-	-	-
	-	-	13,581,986	13,581,986	13,581,986
<b>Balance as at September 30, 2021</b>	298,000,000	81,512,797	(50,347,849)	31,164,948	329,164,948
Balance as at July 01, 2022	298,000,000	83,785,844	(55,206,290)	28,579,554	326,579,554
Profit for the period	-	-	1,084,967	1,084,967	1,084,967
Total comprehensive income for the period	-	-	-	-	-
	-	-	1,084,967	1,084,967	1,084,967
<b>Balance as at September 30, 2022</b>	<b>298,000,000</b>	<b>83,785,844</b>	<b>(54,121,323)</b>	<b>29,664,521</b>	<b>327,664,521</b>

The annexed notes from 1 to 21 form an integral part of these financial statements.

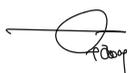
**For Al-Zamin Modaraba Management (Private) Limited**  
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

# SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

## 1 Legal Status and Nature of Business

Trust Modaraba (the Modaraba) was formed in Pakistan under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and is managed by Al-Zamin Modaraba Management (Private) Limited (AZMML). The Modaraba commenced its business operations from November 12, 1991. It is listed on Pakistan Stock Exchange Limited. The principal place of business and registered office is located at 104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi - 75600 while regional offices are located at 301 & 320, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore. The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharakahs, Ijarah, investment in marketable securities, trading and other permissible businesses. The affairs, activities and transactions performed by the modaraba during the period comply with the rules and principles of Islamic Shariah in accordance with the guidelines and directives given by the Shariah advisor, Registrar (Modaraba) and the Securities & Exchange Commission of Pakistan.

## 2 Basis of Preparation

### 2.1 Statement of compliance

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

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

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

- 2.2 These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2022. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2022 whereas comparative profit and loss account, comparative statement of comprehensive income, comparative cash flows statement and comparative statement of changes in equity are extracted from unaudited interim financial statements for the quarter ended September 30, 2021.
- 2.3 These condensed interim financial statements are unaudited; however, a limited scope review has been performed by the external auditors as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- 2.4 **Critical accounting estimates and judgments**

The preparation of these condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgments in application of the Modaraba's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Modaraba's accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the annual published audited financial statements for the year ended June 30, 2022.

### 2.5 Functional and presentation currency

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

## 3 Significant accounting policies

The Modaraba's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim un-audited financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Modaraba for the year ended June 30, 2022.

## SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

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

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

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

<b>New or Revised Standard or Interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	<b>January 1, 2022</b>
IFRS 16 'Covid-19-Related Rent Concessions beyond 30 June 2021'	<b>April 1, 2021</b>

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

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

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

**SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

		(Un-audited) September 30 2022	(Audited) June 30 2022
<b>4. Short Term Investments</b>	Note	-----Rupees-----	
Financial assets at fair value through profit and loss - Held for trading			
		422,231	431,563
NIT Islamic Unit Fund	4.1	31,628,373	32,476,586
Shares of listed companies		32,050,604	32,908,149

**4.1 Shares of listed companies**

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

**Shares of Listed Companies**

Number of shares		Name of Investee	September 30, 2022		June 30, 2022	
30-Sep 2022	30-Jun 2022		Average Cost	Market Value	Average Cost	Market Value
-----Rupees-----						
11,500	12,500	Attock Refinery Limited	2,147,858	1,693,030	2,508,071	2,197,250
101,250	90,000	Fauji Cement Company Limited	2,326,055	1,511,663	2,326,055	1,275,300
27,000	22,500	D.G. Khan Cement Company Limited	2,804,821	1,636,740	2,525,849	1,390,275
90,000	90,000	Cenergyico Pk Limited	1,521,156	440,100	1,521,156	480,600
120,000	120,000	Hascol Petroleum Limited	1,622,511	748,800	1,622,511	504,000
35,000	35,000	Pakistan Petroleum Limited	3,324,124	2,150,750	3,324,124	2,362,850
31,500	32,500	Shell Pakistan Limited	6,176,031	3,969,000	6,372,095	3,839,225
50,000	32,000	Sui Southern Gas Company Limited	589,773	500,500	409,163	285,120
5,154	5,154	Dawood Hercules Corporation	686,386	469,014	686,386	477,054
19,000	19,000	Descon Oxychem Limited	625,949	399,000	625,949	298,300
30,000	30,000	Nishat Mills Limited	3,151,994	2,043,600	3,151,994	2,205,300
17,000	14,000	National Refinery Limited	6,321,185	4,138,820	5,582,675	3,535,980
26,000	24,000	Netsol Technologies Limited	3,487,108	2,511,600	3,283,764	2,393,760
17,000	25,000	Oil & Gas Development Company Limited	1,689,783	1,287,240	2,484,976	1,966,750
25,000	25,000	Pakistan Telecommunication Company Limited	338,570	169,000	338,570	173,750
52,000	52,000	Unity Foods Ltd	1,953,861	1,173,120	1,953,861	1,043,640
3,000	-	The Searl Pak Limited	318,539	304,980	-	-
7,500	-	Engro Polymer & Chemical Limited	435,738	411,225	-	-
14,300	13,000	Century Paper and Board Mills	1,282,273	950,950	1,282,273	803,400
-	41,500	Allied Rental Modaraba	-	-	935,786	931,675
30,000	-	K-Electric Limited	95,017	89,400	-	-
5,000	13,000	Avanceon Limited	403,182	372,200	1,065,627	1,012,830
3,000	7,000	Pakistan State Oil Company Limited	519,880	487,290	1,310,107	1,202,880
5,000	5,000	Frieslandcampins Engro Foods	476,850	327,500	476,850	341,250
5,200	5,200	Lucky Cement Limited	3,166,129	2,582,101	3,252,003	2,387,008
37,500	40,000	Sui Northern Gas Pipelines Limited	1,475,232	1,260,750	1,579,606	1,368,389
			<u>46,940,005</u>	<u>31,628,373</u>	<u>48,619,451</u>	<u>32,476,586</u>

**SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

		(Un-audited) September 30 2022	(Audited) June 30 2022
<b>5. Advances, Deposits, Prepayments and Other Receivables</b>	<b>Note</b>	-----Rupees-----	
Loans to / receivable from employees - considered good		705,000	585,000
Prepayments		2,230,990	2,172,608
Advance against expenses		-	250,000
Accrued profit (secured -considered good)		1,879,638	1,098,826
Advances to supplier (considered good)		1,966,000	20,420,000
Trade receivables (secured -considered good)	5.1	-	-
Legal suits' charges receivable (secured -considered good)	5.2	2,063,926	1,988,926
Receivable against sale of Faisalabad Property		669,000	669,000
Sundry receivables (usecured -considered good)	5.3	1,378,563	1,106,753
		<u>10,893,117</u>	<u>28,291,113</u>
<b>5.1 Trade receivables</b>			
Gross amount		100,000	100,000
Allowance for expected credit losses		(100,000)	(100,000)
		-	-
<b>5.2 Legal suits' charges receivable</b>			
Gross amount		2,530,852	2,455,852
Allowance for expected credit losses		(466,926)	(466,926)
		<u>2,063,926</u>	<u>1,988,926</u>
<b>5.3 Sundry receivables</b>			
Gross amount		1,378,563	1,106,753
		<u>1,378,563</u>	<u>1,106,753</u>
<b>6 Short Term Murabaha Finances - Secured</b>			
Considered Good		907,309	2,721,927
Considered doubtful			
- Regular parties		-	-
- Parties under litigation		39,679,019	39,679,019
		<u>39,679,019</u>	<u>39,679,019</u>
Provision for doubtful receivables		(11,410,411)	(11,410,411)
		<u>29,175,917</u>	<u>30,990,535</u>
<b>7. Long Term Murabaha Finances - Secured</b>			
Considered good		53,997,398	69,047,726
Considered doubtful		42,335,388	36,797,722
Provision for doubtful long term murabaha finances		(7,931,782)	(6,657,297)
		<u>88,401,004</u>	<u>99,188,151</u>
Less: Current portion		(76,079,833)	(79,992,821)
		<u>12,321,171</u>	<u>19,195,330</u>
<b>8. Long Term Investments</b>			
<b>Long Term Investment at Fair Value through OCI</b>			
<b>Shares of Listed Companies</b>			

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

**SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

Number of shares		Name of Investee	September 30, 2022		June 30, 2022	
Sep-22	Jun-22		Average Cost	Market Value	Average Cost	Market Value
-----Rupees-----						
90,000	90,000	Sui Northern Gas Pipelines Limited	5,806,704	3,025,800	5,806,704	3,078,900
21,500	15,000	The Searle Company Limited	4,743,273	2,185,690	4,743,273	2,343,930
75,000	75,000	Pakistan Telecommunication Company Limited	1,029,049	507,000	1,029,049	521,250
17,000	17,000	Oil & Gas Development Company	1,924,858	1,287,240	1,924,850	1,337,398
			<u>13,503,884</u>	<u>7,005,730</u>	<u>13,503,876</u>	<u>7,281,478</u>

			(Un-audited) September 30 2022	(Audited) June 30 2022
<b>9</b>	<b>Fixed Assets</b>	Note	-----Rupees-----	
	Operating fixed assets given on lease (ijarah) - tangible	9.1	155,390,223	147,262,006
	Operating fixed assets in own use - tangible	9.2	14,466,305	13,527,952
	Right of use assets		2,127,270	2,266,005
			<u>171,983,798</u>	<u>163,055,963</u>
<b>9.1</b>	<b>Operating assets given on Ijarah</b>			
	Opening written down value		147,262,006	94,956,022
	Additions during the period / year		20,712,000	106,776,227
	Disposals during the period / year		(2,572,706)	(21,648,231)
			<u>165,401,300</u>	<u>180,084,018</u>
	Depreciation charge for the period / year		(10,011,077)	(32,822,012)
			<u>155,390,223</u>	<u>147,262,006</u>
<b>9.2</b>	<b>Fixed assets in own use</b>			
	Opening written down value		13,527,952	13,126,289
	Additions during the period / year		1,162,172	1,103,050
	Disposals during the period / year		(11,400)	(146,845)
			<u>14,678,724</u>	<u>14,082,494</u>
	Depreciation charge for the period / year		(212,419)	(554,542)
			<u>14,466,305</u>	<u>13,527,952</u>
<b>10</b>	<b>Creditors, Accrued and Other Liabilities</b>			
	Payable to Modaraba Management Company		136,459	1,484,020
	Provision for Workers' Welfare Fund		341,650	317,087
	Accrued Expenses		141,297	232,156
	Other liabilities		6,477,264	9,327,862
			<u>7,096,670</u>	<u>11,361,125</u>
<b>11</b>	<b>Unrealized loss on Revaluation of Investments</b>			
	Opening balance		(5,528,682)	(2,728,426)
	Surplus / (deficit) on revaluation during the year		(275,748)	(2,800,256)
			<u>(5,804,430)</u>	<u>(5,528,682)</u>
<b>11.1</b>	This represents deficit on revaluation of investments classified as fair value through other comprehensive income. Unrealized gain on revaluation of investment cannot be distributed to the certificate holders.			

**SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	(Un-audited) September 30 2022	(Audited) June 30 2022
<b>12 Contingencies and Commitments</b>		
<b>Contingencies</b>		
The Assistant commissioner Inland Revenue has issued order dated June 30, 2022 by creating demand under sub-section 161 of Rs 1,038,285 along with default surcharge of Rs 809,862. The tax payer has filed appeal against said order on July 16, 2022. Hearing of the case is pending and date of hearing is not yet fixed. In view of tax consultant, the favorable outcome is expected in favor of modaraba.		
<b>Disbursement of Musharakah to be made</b>	<b>12.1 11,012,250</b>	<b>-</b>
	(Un-audited) September 30 2022	(Un-audited) September 30 2021
	-----Rupees-----	
<b>13. Income from Ijarah - net</b>		
Income from leasing and Ijarah operations	15,799,000	13,638,600
Less: Depreciation on fixed assets given on ijarah	(9,952,411)	(7,519,314)
Less: Insurance on ijarah assets	(1,556,744)	(753,641)
	<u>4,289,845</u>	<u>5,365,645</u>
<b>14. Other Income</b>		
Gain on disposal of ijarah assets	-	39,395
Gain on disposal of owned fixed assets	5,040	13,000
Profit on deposit and saving accounts with banks	48,042	104,759
Rental income from investment properties	-	20,001
Gain on settlement	-	37,335,047
Miscellaneous income	251,484	138,460
	<u>304,566</u>	<u>37,650,662</u>
<b>15. Operating Expenses</b>		
Salaries, allowances and other benefits	4,842,057	5,056,376
Legal and professional charges	40,000	796,750
Fees and subscription	1,045,728	2,889,634
Electricity, gas and water	403,824	209,171
Telephone, postage and courier	266,507	131,429
Advertisement	25,000	44,348
Printing and stationery	125,316	312,628
Traveling and conveyance	177,557	22,502
Entertainment	212,719	158,737
Insurance	65,375	65,828
Vehicle running	536,423	519,210
Newspaper and periodicals	5,455	3,638
Rent, rates and taxes	433,162	480,042
Repairs and maintenance	609,936	586,203
Depreciation on own assets	212,419	144,067
Depreciation on right of use assets	138,735	-
Bank charges and commission	12,769	1,418
Sales tax	30,677	5,568
Ijarah rental expense - vehicle	-	278,087
Unwinding of lease liabilities	110,577	-
Miscellaneous	77,414	35,021
	<u>9,371,650</u>	<u>11,740,657</u>

**SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	(Un-audited) September 30 2022	(Un-audited) September 30 2021
-----Rupees-----		
<b>16. Earnings per Certificate - Basic and Diluted</b>		
Profit for the period	Rupees 1,084,967	13,581,986
Weighted average number of certificates	Number 29,800,000	29,800,000
Earnings per certificate	Rupees 0.04	0.46

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

	(Un-audited) September 30 2022	(Un-audited) September 30 2021
-----Rupees-----		
<b>17. Cash Generated From Operations</b>		
Profit before taxation	1,228,134	16,847,513
<b>Adjustments for non-cash and other items:</b>		
- Depreciation:		
Under ijarah	9,952,411	7,519,314
In own use	212,419	144,067
Right of use assets	138,735	-
- Provision against assets	-	10,110,482
- (Gain) / loss on termination of ijarah arrangements	-	(39,395)
- (Gain) / loss on disposal own assets	(5,040)	(13,000)
(Profit) on sale of short term investment	566,866	(145,547)
Unrealized (gain)/loss on revaluation of held for trading investment	(805,280)	7,808,056
- Balance written off	-	319,099
- Workers' Welfare Fund	24,563	336,950
- Dividend income	(1,701,509)	(675,000)
	8,383,165	25,365,026
<b>Operating profit before working capital changes</b>	9,611,299	42,212,539
Decrease / (increase) in current assets		
- Advances, deposits, prepayments and other receivables	17,397,996	9,203,755
- Short term murabaha finances	1,814,618	(11,844,561)
- Short term musharakah finances	(1,067,153)	(2,578,208)
- Ijarah rental receivables	(6,077)	8,240,801
- Stock in trade	-	319,099
Increase / (decrease) in current liabilities		
- Creditors, accrued and other liabilities	(4,264,455)	4,586,886
	13,874,929	7,927,772
<b>Cash generated from operations</b>	23,486,228	50,140,311

**SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

			(Un-audited) September 30 2022	(Un-audited) September 30 2021
			-----Rupees-----	
<b>18. Transactions during the period</b>				
<b>Related party</b>	<b>Relationship</b>	<b>Nature of transaction</b>		
Al-Zamin Modaraba Management (Private) Limited	Modaraba Management Company	Management fee and others	136,459	1,871,946
Employees' Provident Fund	Associated undertaking	Contribution for the period	258,807	253,811
Executives and close relatives thereof	Associated persons	Repayment of loan received	-	45,000
<b>Outstanding Balance as at the period end</b>				
			(Un-audited) September 30 2022	(Audited) June 30 2022
			-----Rupees-----	
Al-Zamin Modaraba Management (Private) Limited		Payable against management fee and others	136,459	1,484,020
Director		Loan paayable	5,000,000	5,000,000
Executives and close relatives thereof		Loan receivables	500,000	500,000

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

The Board of Directors of the Management Company in their meeting held on September 28, 2022 has decided to pass over the dividend for the year ended on 30th June, 2022 (2021: Nil)

**20. 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 28, 2022.

**21. 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

# BOOK POST

To,

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