

QUARTERLY REPORT

September 30, 2018



Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (PVT) Ltd.

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Trust Modaraba

CORPORATE INFORMATION

Modaraba Company

Al-Zamin Modaraba Management (Private) Limited

Board of Directors

Mr. Syed Manzoor Hussain Shah Kazmi	Chairman
Mr. Basheer Ahmed Chowdry	Chief Executive
Mr. Shaikh Arshad Farooq	Director
Mr. Mohammad Imranul Haque	Director
Mr. Sohail Ansar	Director
Dr. Mrs. Namoos Baquar	Director
Mr. Syed shahnawaz A. Rizvi	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 A. Rizvi	Chairman
Mr. Shaikh Arshad Farooq	Member
Mr. Sohail Ansar	Member
Ms. Hamida Aqeel	Secretary Audit committee

Human Resource Committee

Mr. Syed shahnawaz A. Rizvi	Chairman
Mr. Shaikh Arshad Farooq	Member
Mr. Basheer Ahmed Chowdry	Member
Dr. Namoos Baquar	Member

Internal Auditors

Grant Thornton Anjum Rahman.
Chartered Accountants

Auditors of the Modaraba

Horwath Hussain Chaudhury & Co.
Chartered Accountant

Bankers

Meezan Bank Limited
The Bank of Punjab

Legal Advisors

Shakeel Ahmed Awan
Advocate, Supreme Court of Pakistan
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 Office

51-A, Adjacent Standerd Chartered Bank, Trust Plaza G.T Road, Gujranwala
Telephone: 055-3730308, 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 take pleasure in presenting the financial statements of Trust Modaraba for the quarter ended 30th September, 2018.

The outlook for the current fiscal year appears to be clouded by a number of macroeconomic imbalances including large budget deficit, falling foreign exchange reserves and a deteriorating current account deficit. Substantial external financing is required as an immediate step to avert the looming crisis. Average annual inflation is projected to reach 6.5% in fiscal year 2019 because of currency depreciation and elevated international oil prices. SBP increased policy rate by 100 bps in an effort to contain inflationary pressure and is likely to continue further as part of its' monetary tightening policy.

However, Pakistan's economy has shown resilience and capacity to bounce back time and again. The new government's strong commitment to implement pro-job and socio economic development policies are expected to stimulate sustainable growth in the years ahead.

During the quarter under review, your Modaraba has recorded total income at Rs. 14.660 million as compared to Rs. 16.413 million of the previous comparable period. During the quarter your Modaraba has earned a profit of Rs. 1.680 million before management fee as compared to Rs. 0.579 million of the previous corresponding quarter. Balance sheet footing of your Modaraba stood at Rs. 379.228 million. Certificate holder's equity stands at Rs. 306.910 million.

EARNING PER CERTIFICATE

Earning per certificate of the Modaraba is Rs. 0.05 per certificate for the quarter ended 30th September, 2018 as compared to Rs. 0.02 per certificate in the corresponding quarter last year.

Your Management being fully aware of the valuable contributions of the Certificate holders would continue to make every possible effort to maximize profits through efficiency and effectiveness in business operations.

For & on behalf of the Board of Directors



Karachi
October 24, 2018

Basheer A. Chowdry
Chief Executive



ڈائریکٹر رپورٹ

الضامن مضاربہ منجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز (بورڈ کے ناظمین)، ٹرسٹ مضاربہ کی 30 ستمبر 2018 کو اختتام پذیر سہ ماہی کی مالیاتی دستاویزات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

جاری مالی سال کے منظر نامہ پر کئی معیشت (macroeconomic) کے عدم توازن کے اثرات دکھائی دیتے ہیں جس کی وجوہات میں شامل ہیں بجٹ کا بڑا خسارہ، غیر ملکی زر مبادلہ کے گھٹتے ہوئے ذخائر اور خراب ہوتا ہوا جاری کھاتے کا خسارہ ہے۔ معیشت پر منڈلاتے ہوئے بحران کا رخ بدلنے کے لیے فوری طور پر کافی بیرونی سرمایہ کاری درکار ہوگی۔ سال 2019 میں افراط زر کا سالانہ اوسط کا تخمینہ 6.5 فیصد تک پہنچ جانے کا امکان ہے جس کی وجوہات کرنسی کی قدر میں کمی اور تیل کی بین الاقوامی بلند ہوتی ہوئی قیمتیں ہیں۔ SBP نے افراطی (inflationary) دباؤ کو روکنے کی کوشش میں پالیسی نرخ میں 100 بیس پوائنٹس میں اضافہ کر دیا ہے اور امکان ہے کہ مرکزی بینک اپنی پالیسی کے طور پر یہ عمل جاری رکھے گا۔

تاہم، پاکستان کی معیشت بار بار ابھرنے کی استعداد دکھائی ہے۔ نئی حکومت کا روزگار پیدا کرنے والی سماجی معاشی ترقی کی پالیسیوں کے نفاذ کے بارے میں مضبوط عزم سے توقع کی جاتی ہے کہ وہ آنے والے سالوں میں نمو پذیری کے تسلسل کو برقرار رکھے گی۔

زیر جائزہ سہ ماہی میں، آپ کے مضاربہ نے 14.660 ملین روپے کی آمدنی کا اندراج کیا جبکہ گذشتہ سال اسی مدت کے دوران 16.413 ملین روپے کا اندراج ہوا تھا۔ سہ ماہی کے دوران مضاربہ نے منافع قبل از منجمنٹ فیئس 1.680 ملین روپے کمایا جبکہ گذشتہ سال اسی سہ ماہی میں 0.579 ملین روپے تھا۔ آپ کے مضاربہ کی ٹیلیٹس شیٹ 379.228 ملین روپے رہی۔ سرٹیفیکیٹس کنندگان کا ملکیٹی سرمایہ 306.910 ملین روپے رہا۔

آمدنی فی سرٹیفیکیٹ

30 ستمبر 2018 کو اختتام پذیر سہ ماہی پر مضاربہ کی آمدنی فی سرٹیفیکیٹ 0.05 روپے فی سرٹیفیکیٹ رہی اور اس کے مقابلے میں گذشتہ سال کی اسی مدت کی سہ ماہی میں 0.02 روپے فی سرٹیفیکیٹ تھی۔

آپ کی انتظامیہ سرٹیفیکیٹس کنندگان کے قابل قدر شرکت سے پوری طرح آگاہ ہے اور وہ کاروبار کے آپریشن کی کارکردگی میں بہتری اور مؤثر پن سے منافع کو زیادہ سے زیادہ کرنے کے لیے ہر ممکن کوششیں جاری رکھے گی۔

برائے بورڈ آف ڈائریکٹرز کے جانب سے

بشیر احمد چودھری
چیف ایگزیکٹو

کراچی

24 اکتوبر 2018

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2018

		(Un-audited) September 30, 2018	(Audited) June 30, 2018
	Note	-----Rupees-----	
ASSETS			
Current assets			
Cash and bank balances		6,986,364	4,161,839
Short term investments	4	8,782,707	8,755,918
Advances, deposits, prepayments and other receivables	5	39,970,498	38,159,611
Short term murabaha finances	6	39,858,131	40,595,741
Current portion of long term murabaha finances		86,217,113	82,462,816
Ijarah rental receivables		16,340,008	20,108,224
Short term musharakah finances (secured - considered good)		21,876,100	20,590,000
Current portion of long term diminishing musharakah finances		4,012,733	5,123,180
Tax refunds due from the Government		4,983,896	4,902,107
Stock in trade		7,849,679	12,570,471
		236,877,229	237,429,907
Non-current assets			
Long term murabaha finances	7	22,172,012	18,239,018
Long term diminishing musharakah finances		116,316	406,122
Long term deposits		2,756,690	2,706,690
Long term investments	8	8,571,550	9,489,399
Investment property		2,835,000	2,835,000
Fixed assets	9	103,516,239	106,229,059
Total Non-Current Assets		139,967,807	139,905,288
TOTAL ASSETS		376,845,036	377,335,195
LIABILITIES			
Current liabilities			
Current portion of customers' security deposits		17,318,919	18,747,319
Creditors, accrued and other liabilities	10	22,119,112	21,075,196
IMBL Project Fund		10,000,000	10,000,000
Total current liabilities		49,438,031	49,822,515
Non-current liabilities			
Deferred income on murabaha		3,508,239	2,753,959
Customers' security deposits		16,988,781	18,755,851
Total Non-Current Liabilities		20,497,020	21,509,810
Total Liabilities		69,935,051	71,332,325
NET ASSETS		306,909,985	306,002,870
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital		298,000,000	298,000,000
Reserves		8,909,985	8,002,870
Contingencies and commitments			
		306,909,985	306,002,870

The annexed notes from 1 to 17 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



Trust Modaraba

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

Note	(Un-audited) September 30, September 30, 2018 2017	
	-----Rupees-----	
Income from ijarah	9,804,153	11,610,450
Profit on murabaha finances	2,531,896	2,324,400
Profit on musharakah finances	1,571,061	1,408,587
Dividend income on equity investments	210,500	78,250
Profit on long term investments - available-for-sale	23,009	50,059
Trading income	167,830	1,273,554
Other income	351,526	250,803
	14,659,975	16,996,103
(Provision) / Reversal of provision against non performing finance and other receivables-net	285,945	-
Unrealized loss on revaluation of held-for-trading investment	(549,693)	(1,104,735)
	14,396,227	15,891,368
Operating expenses		
Operating expenses	6,965,435	7,084,958
Depreciation on fixed assets given on ijarah	5,751,084	8,226,837
	(12,716,519)	(15,311,795)
	1,679,708	579,573
Modaraba company's management fee	(167,971)	(57,957)
Profit before taxation	1,511,737	521,616
Taxation	(76,383)	-
Net Profit for the Period	1,435,354	521,616
Earnings per Certificate - Basic and Diluted	12 0.05	0.02

The annexed notes from 1 to 17 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, 2018**

	(Un-audited)	
	September 30, 2018	September 30, 2017
	-----Rupees-----	
Net Profit for the Year	1,435,354	521,616
Other comprehensive Income:		
- Net change in fair value of available-for-sale investments	(528,239)	(1,759,272)
Other comprehensive loss for the year	(528,239)	(1,759,272)
Total comprehensive (loss) /income for the period	907,115	(1,237,656)

The annexed notes from 1 to 17 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



Trust Modaraba

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

		(Un-audited)	
		September 30, 2018	September 30, 2017
Note		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations			
Cash generated from operations	13	13,159,795	8,211,729
<i>Decrease / (increase) in non-current assets:</i>			
- Long term murabaha finances		(7,687,291)	(4,236,408)
- Long term musharakah finances		1,400,253	1,163,182
<i>Increase / (decrease) in non-current liabilities:</i>			
- Deferred income on murabaha		1,423,821	299,003
- Customers' security deposits		2,540,512	462,285
Purchase of Ijarah assets		(9,448,306)	(8,020,940)
Proceeds from disposal of Ijarah assets		1,142,411	3,573,003
Income tax paid / deducted		(81,789)	(57,871)
Net Cash (used in) / generated from Operating Activities		2,449,406	1,393,983
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of owned assets		(198,000)	(83,200)
(Purchase) / sale of investments - net		412,619	(5,319,444)
Long term deposits		(50,000)	(204,000)
Dividends received		210,500	78,250
Net Cash Generated from Investing Activities		375,119	(5,528,394)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash Used in Financing Activities		-	-
Net (Decrease) / Increase in Cash and Cash Equivalents		2,824,525	(4,134,411)
Cash and cash equivalents at the beginning of the period		4,161,839	15,996,812
Cash and Cash Equivalents at the End of the Period		6,986,364	11,862,401

The annexed notes from 1 to 17 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, 2018


	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-		
Balance as at June 30, 2017	298,000,000	79,253,192	-	(470,050)	(61,614,241)	315,168,901
Profit for the period	-	-	-	-	521,616	521,616
Total comprehensive (loss)/income for the period	-	-	-	(1,759,272)	(1,759,272)	(1,759,272)
	-	-	-	(1,759,272)	521,616	(1,237,656)
Balance as at September 30, 2017	298,000,000	79,253,192	-	(2,229,322)	(61,092,625)	313,931,245
Balance as at July 01, 2018	298,000,000	79,637,766	2,457,200	(3,586,151)	(70,505,945)	306,002,870
Profit for the period	-	-	-	-	1,435,354	1,435,354
Other comprehensive income for the period	-	-	-	(528,239)	(528,239)	(528,239)
	-	-	-	(528,239)	1,435,354	907,115
Balance as at September 30, 2018	298,000,000	79,637,766	2,457,200	(4,114,390)	(69,070,591)	306,909,985

The annexed notes from 1 to 17 form an integral part of these financial statements.

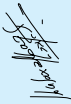
For Al-Zamin Modaraba Management (Private) Limited
 (Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER



SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

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, 2018.

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, 2018.

	(Un-audited) September 30, 2018	(Audited) June 30, 2018
Note	-----Rupees-----	

4. SHORT TERM INVESTMENTS

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

NIT Islamic Unit Fund - at cost

Meezan Islamic Fund - at cost

Shares of listed companies - at cost

Unrealized loss on revaluation - net

	2,187,970	2,187,970
	1,763,965	1,763,965
4.1	8,375,267	7,798,785
	12,327,202	11,750,720
4.2	(3,544,495)	(2,994,802)
	8,782,707	8,755,918

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

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, 2018		June 30, 2018	
2018	2018		Average cost	Market Value	Average Cost	Market Value
-----Rupees-----						
3,125	1,000	Attock Refinery Limited	904,664	474,063	904,664	538,275
3,500	3,500	Hub Power Company Limited	457,676	306,145	457,676	322,560
10,000	4,000	Engro Foods Limited	1,421,855	847,400	1,421,855	890,600
25,000	20,000	Fauji Cement Company Limited	1,020,886	559,000	899,160	457,000
1,000	4,000	Pakistan Oxygen Limited (formerly Linde Pakistan Limited)	296,127	215,000	296,127	240,000
3,500	2,500	Packages Limited	2,705,577	1,565,270	2,705,577	1,714,020
50,000	40,000	Byco Petroleum Pakistan Limited	1,113,726	522,000	1,113,726	610,000
5,000	-	Sui Northern Gas Pipelines Limited	454,756	445,607	-	-
			8,375,267	4,934,485	7,798,785	4,772,455

- 4.2 It also includes unrealized revaluation loss on NIT Islamic Unit Fund of Rs. 82,334 (2018: unrealized loss of Rs. 40,779) and unrealized loss on Meezan Islamic Equity Fund of Rs. 52,907 (2018: unrealized gain Rs. 72,307).

(Un-audited) September 30, 2018	(Audited) June 30, 2018
-----Rupees-----	

5. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to employees against salary - considered good	-	17,000
Loans to / receivable from employees - considered good	1,860,897	1,860,733
Security deposits	4,500	4,500
Prepayments	4,398,241	1,796,313
Accrued profit	5,226,674	3,918,035
Advances to suppliers - considered good	7,556,000	1,229,000
Advances for murabaha	-	5,000,000
Trade receivables - considered good	12,057,283	17,782,283
Legal suits' charges receivable	3,352,203	3,509,713
Provision for doubtful receivables	(821,950)	(844,960)
	2,530,253	2,664,753
Sundry receivables	6,835,104	4,385,448
Provision for doubtful sundry receivables	(498,454)	(498,454)
	6,336,650	3,886,994
	39,970,498	38,159,611



SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

		(Un-audited) September 30, 2018	(Audited) June 30, 2018
Note		-----Rupees-----	
6. SHORT TERM MURABAHA FINANCES			
Considered good		12,126,119	12,863,729
Considered doubtful			
- Regular parties		20,084	20,084
- Parties under litigation		56,432,312	56,432,312
Recovery during the year		(20,084)	-
		56,432,312	56,452,396
Provision for classified receivables under Prudential Regulations for Modarabas		(28,700,300)	(28,720,384)
		<u>39,858,131</u>	<u>40,595,741</u>
7. LONG TERM MURABAHA FINANCES - SECURED			
Considered good		57,419,349	53,550,757
Considered doubtful		50,969,776	47,151,077
		108,389,125	100,701,834
Less: Current portion		(86,217,113)	(82,462,816)
		<u>22,172,012</u>	<u>18,239,018</u>
8. LONG TERM INVESTMENTS			
Available For Sale			
- Equity securities - listed	8.1	11,443,301	11,443,301
- Sukuk certificates	8.2	871,976	1,261,586
Total investment at cost		12,315,277	12,704,887
Unrealized loss on revaluation of investments		(3,743,727)	(3,215,488)
Net investments at fair value		<u>8,571,550</u>	<u>9,489,399</u>

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

8.1 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, 2018		June 30, 2018	
2018	2018		Average cost	Market Value	Average Cost	Market Value
-----Rupees-----						
6,000	6,000	D.G Khan Cement Co. Limited	1,115,513	614,460	1,115,513	686,940
1,000	1,000	Engro Corporation Pakistan	371,443	311,630	371,443	313,860
4,000	4,000	Lucky Cement Limited	2,588,636	2,051,760	2,588,636	2,031,720
11,000	11,000	Sui North Gas Pipeline Limited	1,589,629	980,320	1,589,629	1,102,420
100,000	100,000	Pakistan Telecommunica- tion company Limited	1,627,207	1,000,000	1,627,207	1,144,000
5,625	5,625	Maple Leaf Cement	498,917	264,938	498,917	285,413
3,000	3,000	Shell Pakistan	1,318,331	880,950	1,318,331	948,270
4,000	4,000	Pioneer Cement	334,239	173,840	334,239	187,440
4,500	4,500	The Searle Company Limited	1,999,386	1,421,676	1,999,386	1,527,750
			11,443,301	7,699,574	11,443,301	8,227,813

8.2 This represents investment in sukuk certificates issued by B.R.R. Guardian Modaraba (An Islamic Financial Institution), managed by B.R.R Investment (Private) Limited, having face value of Rs. 10 million. Through resolution by circulation passed by the sukuk holders dated June 27, 2016, the Modaraba entered into a second rescheduling / restructuring agreement dated December 07, 2015 for redemption of its investment in 2,000 (2018: 2,000) sukuk certificates.

	(Un-audited) September 30, 2018	(Audited) June 30 2018
Note	-----Rupees-----	

9. FIXED ASSETS

Operating fixed assets given on lease (ijarah) - tangible	9.1	80,565,542	83,315,572
Operating fixed assets in own use - tangible	9.2	22,950,697	22,913,487
		103,516,239	106,229,059

9.1 Operating assets given on Ijarah

Opening written down value	83,315,572	110,137,916
Additions during the period / year	9,448,306	38,294,840
Disposals during the period / year	(6,447,252)	(35,089,568)
	86,316,626	113,343,188
Depreciation charge for the period / year	(5,751,084)	(30,027,616)
	80,565,542	83,315,572



SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	(Un-audited) September 30, 2018	(Audited) June 30 2018
	-----Rupees-----	
9.2 Fixed assets in own use		
Opening written down value	22,913,487	23,434,154
Additions during the period / year	198,000	658,467
Disposals during the period / year	-	(577,442)
	<u>23,111,487</u>	<u>23,515,179</u>
Depreciation charge for the period / year	(160,790)	(601,692)
	<u>22,950,697</u>	<u>22,913,487</u>

10. CREDITORS, ACCURED AND OTHER LIABILITIES

Salaries and benefits payable	-	15,700
Withholding tax payable	35,140	44,524
Payable to Modaraba Management Company	393,978	226,007
Current portion of deferred income on murabaha	7,245,491	6,575,950
Security deposit	40,000	40,000
Unclaimed dividends	12,930,548	12,930,548
Other liabilities	1,473,955	1,242,467
	<u>22,119,112</u>	<u>21,075,196</u>

11. OPERATING EXPENSES

Salaries, allowances and other benefits	2,917,602	2,983,601
Fees and subscription	602,971	524,988
Electricity, gas and water	219,854	263,216
Telephone, postage and courier	163,930	183,307
Advertisement	124,175	13,200
Printing and stationery	184,063	99,912
Traveling and conveyance	75,727	195,554
Entertainment	167,218	138,858
Insurance	530,134	771,611
Vehicle running	533,970	531,523
Newspaper and periodicals	5,756	6,308
Rent, rates and taxes	463,794	446,286
Repairs and maintenance	315,552	292,522
Depreciation on own assets	160,790	140,641
Bank charges and commission	5,335	11,073
Sales tax	2,400	1,400
Ijarah rental expense - vehicle	450,000	445,746
Miscellaneous	42,164	35,212
	<u>6,965,435</u>	<u>7,084,958</u>

12. EARNINGS PER CERTIFICATE - BASIC & DILUTED

Profit for the period	Rupees 1,435,354	521,616
Weighted average number of certificates	Number 29,800,000	29,800,000
Earnings per certificate	Rupees 0.05	0.02

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

**SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	<i>(Un-audited)</i> September 30, 2018	<i>(Un-audited)</i> September 30, 2017
	-----Rupees-----	
13. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,511,737	521,616
Adjustments for non-cash and other items:		
- Depreciation:		
- Under ijarah	5,751,084	8,367,478
- In own use	160,790	140,641
- Charges / (Reversal) against non performing finances - net	(285,945)	-
- Gain on termination of ijarah arrangements	(221,579)	20,415
- Profit on long term investment - available for sale	(23,009)	-
- Unrealized loss on revaluation of held for trading investment	549,693	-
- Dividend income	(210,500)	(78,250)
	5,720,534	8,450,284
	7,232,271	8,971,900
Operating profit before working capital changes		
Decrease / (increase) in current assets		
- Short term investment - net	(576,482)	836,181
- Advances, deposits, prepayments and other receivables	(1,810,887)	1,220,387
- Short term murabaha finances	737,610	(1,110,007)
- Short term musharakah finances	(1,286,100)	(3,435,000)
- Ijarah rental receivables	3,768,216	(1,458,830)
- Stock in trade	4,720,792	3,267,316
(Decrease) / increase in current liabilities		
- Creditors, accrued and other liabilities	374,375	(80,218)
	5,927,524	(760,171)
Cash generated from operations	13,159,795	8,211,729



SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

14. TRANSACTIONS WITH RELATED PARTIES

Transactions during the period			(Un-audited) September 30 2018	(Un-audited) September 30 2017
			-----Rupees-----	
Related party	Relationship	Nature of transaction		
Al-Zamin Modaraba Management (Private) Limited	Modaraba Management Company	Management fee and others	167,971	57,957
Employees' Provident Fund	Associated undertaking	Contribution for the period	144,891	132,675
Executives and close relatives thereof	Associated persons	Loan given during the period	-	-
		Repayment of loan received	33,333	-
		Receipt of principal under long term diminishing musharakah finances	66,666	66,666
		Profit accrued under long term diminishing musharakah finances	5,334	13,333
		Receipts of profit under long term diminishing musharakah finances	5,334	13,333
			(Un-audited) September 30 2018	(Audited) June 30 2018
			-----Rupees-----	
Outstanding Balance for the period				
Al-Zamin Modaraba Management (Private) Limited		Payable against management fee and others	393,978	226,007
		Payable against (IMFB) project	5,000,000	5,000,000
Executives and close relatives thereof		Loan receivables	1,000,001	1,033,334
		Receivable against sale of vehicle	332,062	332,062
		Principal receivable under long term diminishing musharakah finances	133,340	200,004
		Profit receivable under long term diminishing musharakah finances	-	66

SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

15. Non Adjusting Event after the reporting date

The Board of Directors of the Management Company in their meeting held on October 01, 2018 has decided to pass over the dividend for this year ended on 30th June, 2018 (2017: 3.5%)

16. 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 24, 2018.

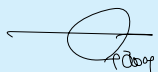
17. Corresponding Figures

Corresponding figures have been re-arranged, wherever necessary, to facilitate comparison. No material re-arrangements have been made during the year.

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



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER



This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal blue lines across its entire surface, typical of standard notebook or composition paper. The lines are uniform in color and thickness, providing a guide for handwriting. There are no margins, text, or other markings present on the page.

NOTES

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