



# Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (Private) Limited.

## HALF YEARLY ACCOUNTS

FOR THE PERIOD ENDED  
**31<sup>st</sup> December, 2023**



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

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# CORPORATE INFORMATION

## MODARABA COMPANY

Al-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. Namoos Baquar	Director

### MANAGEMENT

Mr. Basheer Ahmed Chowdry	Chief Executive
Ms. Hamida Aqeel	Chief Operating Officer/Company Secretary
Mr. Shiraz Butt	Chief Financial Officer

### AUDIT COMMITTEE

Mr. Syed Etrat Hussain Rizvi	Chairman
Mr. Mian Sheikh Arshad Farooq	Member
Mr. Syed Shahnawaz Ahmed Rizvi	Member
Mr. Mohammad Yasin	Member
Ms. Hamida Aqeel	Secretary to the committee

### HUMAN RESOURCE COMMITTEE

Mr. Muhammad Yasin	Chairman
Mr. Syed Etrat Hussain Rizvi	Member
Dr. Mrs. Namoos Baquar	Member
Mr. Basheer Ahmed Chowdry	Member
Ms. Hamida Aqeel	Secretary to the committee

### 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, 35873373, 35873369, 35867102  
Fax: 021-35870408 Web: trustmodaraba.com  
Email: info@trustmodaraba.com

### REGIONAL OFFICE

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 Board of Directors of Al-Zamin Modaraba Management (Private) Limited, the management company of Trust Modaraba are pleased to present the financial statements of Trust Modaraba for the half year ended on 31st December, 2023.

## ECONOMIC OUTLOOK

Pakistan's economy still continues to navigate through multiple challenges characterized by high levels of inflation, slow economic activity, low level of foreign exchange reserves, high public finance imbalance and a complex political situation. However, despite significant challenges, the recent data released by the State Bank of Pakistan showcase a glimmer of optimism amidst a challenging economic landscape and indicate positive shift in economic indicators in terms of performance of stock exchange, agricultural output, improvement in current account deficit and advancement in export of IT and IT related services. The optimistic outlook is also supported by signals of growth in the industrial and agricultural sectors during the first half of the current fiscal year. The trend of economic activity is positive and the external pressures also appear to be easing. Implementation of policies to reduce uncertainty and strengthen growth potential post elections could certainly lead to further improvement in the prospects. However, strong ownership remains critical to ensure the current momentum continues and the stabilization of Pakistan's economy becomes entrenched.

## FINANCIAL HIGHLIGHTS

FOR THE HALF YEAR ENDED ON 31 <sup>ST</sup> DEC,	2023-24	2022-23
<b>Revenue</b>		
Financing Portfolio	29,617,639	20,871,836
*Equity Portfolio	8,418,086	(1,361,614)
<b>Total</b>	<b>38,035,725</b>	<b>19,516,220</b>
Provisions	(1,381,730)	(747,114)
Operating Expenses	(18,214,845)	(19,763,789)
Income before Management Fee	18,439,150	(994,681)
Management Fee & WWF	(2,175,820)	Nil
<b>Profit/(Loss) before tax</b>	<b>16,263,330</b>	<b>(994,681)</b>
Taxation	(2,708,139)	(819,498)
<b>Profit/(Loss) after tax</b>	<b>13,555,191</b>	<b>(1,814,179)</b>

## PERFORMANCE

In a business environment embroiled in uncertainties and challenges, it is heartening to report that your Modaraba managed to achieve significant progress in performance during the first half of the current financial year as all the key performance indicators registered appreciable increase over the previous comparable period. Aggregate income generated from core business operations was recorded at Rs.29.62 million for the half year ended on 31st December, 2023 as compared to Rs.20.88 million of the preceding comparable period, thereby registering an increase of 42%. This increase in revenue segment was achieved primarily through effective utilization of additional liquidity generated from disposal of shares, attractive financing rates and improvement in the quality of financing portfolio supporting achievement of targeted yields. The period under consideration was also remarkable for Pakistan Stock Exchange characterized by an enthusiastic surge in the market index after a long period of lack luster activity. Taking advantage of the positive trend and consequential appreciation in the market values, selected scrips were sold at optimum prices and the liquidity thus generated was deployed in the principal business activity to further strengthen regular stream of income. Appreciation in stock prices provided revaluation gain of Rs.14.33 million during the period on the share portfolio classified as 'held for trading' which after adjusting loss on sale of shares of Rs.6.45 million contributed a net positive amount of Rs.7.88 million to the income of the Modaraba. During the period income of Rs.536,904 by way of dividends was also earned. Cost efficiency measures adopted by way of operational restructuring paved way for reduction in operating expenses which decreased by 7.84% to Rs.18.21 million for the period ended on 31st December, 2023. Profit before tax of Rs.16.26 million was achieved after accounting for management fee (Rs.1.84 million) and workers' welfare fund (Rs.0.33 million) accrued during the period under consideration. After accounting for tax liability of Rs.2.71 million, profit of Rs.13.56 million was achieved for the first half of the current financial year as against after tax loss of Rs.1.81 million of the previous comparable period. As a result of significant improvement in profitability, asset base of your Modaraba increased to Rs.401 million from Rs.389 million of the preceding half year.

The period under consideration is also marked by increase in disbursements which amounted to Rs.110.35 million during the period under consideration as compared to Rs.79.00 million of the previous comparable half year. Thorough due diligence of each client was carefully conducted to ensure compliance with the norms of prudent lending and established SOPs, as a result of which asset quality was maintained even in these challenging times. The portfolio developed during the period comprised of corporate sector (59%) followed by individuals (37%) and selective SMEs (4%). Recoveries of repayment installments on due dates remained a focused area with all out efforts to restrict any account entering the delinquent zone.

It is also encouraging to report that during the period, settlement agreements with two accounts under litigation were achieved for an amount of Rs.9.0 million. Remaining cases now at an advance stage of finalization shall continue to be followed up aggressively for early resolution.

Moving forward, your management remains committed to achieve further excellence in the operations of Trust Modaraba capitalizing on its human resource capabilities and sound business policies.

### **EARNINGS PER CERTIFICATE**

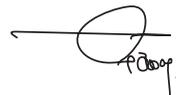
Earnings per certificate for the period under review stood at Rs.0.45 as against loss of Rs.0.06 of the previous comparable period.

### **ACKNOWLEDGMENT**

The Board wishes to put on record its appreciation for the continued support of the SECP, certificate holders, commitment and hard work of the staff members for achieving positive results in one of the most testing times.



Basheer A. Chowdry  
Chief Executive



Mian Sheikh Arshad Farooq  
Chairman

26th, February, 2024.

## ڈائریکٹر رپورٹ

الضامن مضاربہ منجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز۔ ٹرسٹ مضاربہ کی منجمنٹ کمیٹی کی جانب سے 31 دسمبر 2023 پر اختتام پذیر ششماہی پر مضاربہ کی مالیاتی دستاویزات اپنے سرٹیفکیٹ کنندگان کو پیش کرتے ہوئے بخوشی پیش کرتے ہیں۔

## معاشی منظر نامہ

پاکستان کی معیشت کو تاحال متعدد مسائل کا سامنا ہے جس میں نمایاں بلند سطح کا افراط زر، سست معاشی سرگرمیاں، غیر ملکی زرمبادلہ کے چلنی سطح کے ذخائر، بلند پبلک فنانس کا عدم توازن اور پیچیدہ سیاسی صورتحال ہیں۔ تاہم، خاصی مشکلات کے باوجود، مسائل سے بھرپور معاشی منظر نامہ میں بینک دولت پاکستان کے حالیہ جاری کردہ اعداد و شمار امید کی ایک کرن ہیں جو معاشی اشاروں جیسے اسٹاک ایکسچینج کی کارکردگی، زرعی پیداوار، جاری کھاتے کے خسارے میں بہتری اور انفارمیشن ٹیکنالوجی اور انفارمیشن ٹیکنالوجی سے متعلق خدمات کی برآمدات میں اضافے جیسے مثبت تبدیلی کو ظاہر کرتی ہے۔ جاری مالی سال کے نصف سال کے دوران پر امید کی منظر نامے کی معاونت صنعتی اور زرعی شعبے میں نمو کے اشاروں سے ہوئی۔ معاشی سرگرمیوں کا رجحان مثبت نظر آتا ہے اور بیرونی دباؤ میں بھی کمی ہوتی نظر آتی ہے۔ الیکشن کے بعد غیر یقینی کو کم کرنے اور نمو کے امکان کو مستحکم کرنے کے پالیسیوں کے نفاذ سے مستقبل کے امکانات میں مزید بہتری لائی جاسکتی ہے۔ تاہم، جاری رفتار کو برقرار رکھنے کے لئے اور پاکستان کی معیشت کے استحکام کو یقینی بنانے کے لیے، اٹھائے گئے اقدامات کی مکمل ذمہ داری لینا ہوگی تاکہ پاکستان کی معیشت مضبوط و مستحکم ہو سکے۔

## مالیاتی جھلکیاں

2022-23	2023-24	31 دسمبر
		مالگداری
20,871,836	29,617,639	فنانسنگ پورٹ فولیو
(1,361,614)	8,418,086	ملکی سرمایہ پورٹ فولیو *
<b>19,516,220</b>	<b>38,035,725</b>	کل
(747,114)	(1,381,730)	مختصات (Provisions)
(19,763,789)	(18,214,845)	آپریٹنگ اخراجات
(994,681)	18,439,150	آمدنی قبل از منجمنٹ فیس
Nil	(2,175,820)	منجمنٹ فیس اور ورکر ویلفیئر فنڈز
<b>(994,681)</b>	<b>16,263,330</b>	نفع / نقصان قبل از محصول
(819,498)	(2,708,139)	محصول
<b>(1,814,179)</b>	<b>13,555,191</b>	نفع / نقصان بعد از محصول

\* اس میں ملکی سرمایہ پورٹ فولیو کی دوبارہ قدر پذیری سے حاصل اضافہ شامل ہے۔

## کارکردگی کا جائزہ

ایک ایسے کاروباری ماحول میں جہاں غیر یقینی صورتحال اور مختلف مسائل درپیش ہوں، یہ امر حوصلہ افزاء ہے کہ آپ کے مضاربہ نے جاری مالی سال کے پہلے نصف میں کارکردگی میں خاصی پیش رفت حاصل کی ہے۔ اس سال کارکردگی کے تمام اشاروں نے نمایاں اضافے کا اندراج کیا ہے۔ مضاربہ کے بنیادی کاروبار کے آپریشن سے 31 دسمبر 2023 کو اختتام پذیر نصف سال کے دوران 29.62 ملین روپے کی مجموعی آمدنی حاصل ہوئی اس کے مقابلے میں گذشتہ سال کے پہلے نصف میں یہ آمدنی 20.88 ملین روپے تھی جو کہ 42 فیصد اضافہ ظاہر کرتی ہے۔ مالگڈاری سیکٹ میں یہ اضافہ بنیادی طور پر، حصص کی فروخت سے حاصل ہونے والے اضافی سرمائے کے مؤثر استعمال سے حاصل ہوا اور اس کے علاوہ بہتر فنانسنگ ریٹس اور فنانسنگ پورٹ فولیو کے معیار میں بہتری نے متعین اہداف کے نتائج کے حصول میں معاونت کی۔ زیر غور مدت پاکستان اسٹاک ایکسچینج کے لیے بھی قابل ذکر تھا جو کہ طویل عرصہ تک مدہم سرگرمیوں کے بعد مارکیٹ انڈیکس میں ایک خاطر خواہ تیزی آئی۔ اس مثبت رجحان کا فائدہ اٹھاتے ہوئے اور اس کے نتیجے میں مارکیٹ قدر میں بہتری کے سبب منتخب حصص کو مناسب قیمت پر فروخت کیا اور اس طرح سے حاصل ملکیٹی سرمایہ کو بنیادی کاروباری سرگرمیوں میں استعمال کیا تاکہ بنیادی آمدن میں مزید اضافہ کیا جاسکے۔ زیر غور مدت میں شیئر پورٹ فولیو جن کی درجہ بندی "تجارت کے لئے روکے ہوئے" کے طور پر تھی، اسٹاک کی قیمتوں میں اضافہ نے ان کی دوبارہ قدر پذیری سے 14.33 ملین روپے کا اضافہ ہوا جس کو 6.45 ملین روپے شمیر کی فروخت سے ہونے والے نقصان کو نکال کر مضاربہ کی آمدنی میں 7.88 ملین روپے کی رقم کا اضافہ ہوا۔ زیر غور مدت کے دوران آمدنی میں، منقسمہ منافع کی مد میں 536,904 روپے کا اضافہ ہوا۔ 31 دسمبر 2023 کو اختتام پذیر مدت میں، ڈھانچائی ردوبدل سے لاگت میں بچت کے اقدامات کے سبب آپریٹنگ اخراجات میں 7.84 فیصد کے بعد ان کی مالیت 18.21 ملین روپے ہو گئی۔ بیجمنٹ کی فیس (1.84 ملین روپے) اور زیر غور مدت میں جمع ہونے والے ورکرز کے فیلٹرفنڈز (0.33 ملین روپے) کے حسب کتاب کے بعد منافع قبل از محصول 16.26 ملین روپے تھا۔ 2.71 ملین روپے محصول کے واجبات کے حسب کتاب کے بعد جاری سال کے پہلے نصف میں 13.56 ملین روپے کا منافع حاصل کیا اس کے مقابلے میں گذشتہ سال کے پہلے نصف میں 1.81 ملین روپے کا نقصان بعد از محصول تھا۔ منافع بخشی (profitability) میں خاصی بہتری کے نتیجے میں، آپ کے مضاربہ کے اثاثہ جات کی مالیت بڑھ کر 401 ملین روپے ہو گئی جو گذشتہ سال کے نصف میں اس کی مالیت 389 ملین تھی۔

زیر غور مدت میں قرضہ جات کیا دانیگیوں میں نمایاں اضافہ رہا جو بڑھ کر 110.35 ملین روپے ہو گیا جو گذشتہ سال اسی مدت اس کی مالیت 79 ملین روپے تھی۔ کافی غور و خاص کے بعد متعین محفوظ قرضہ کی فراہمی کے عام معیار اور تسلیم شدہ اسٹیٹرزڈ آپریٹنگ پروسجرز کی تعمیل کو یقینی بناتے ہوئے ہر گاہک کے انتخاب کے لیے پوری احتیاط اور توجہ سے عمل کرنے کا نتیجہ میں اس مشکل وقت میں اثاثہ جات کے معیار کو برقرار رکھا۔ زیر غور مدت میں تشکیل شدہ پورٹ فولیو اداراتی سیکر (59%) انفرادی اشخاص (37%) مخصوص SMEs (4%) پر مشتمل ہے۔ متعین تاریخوں پر اقساط کی وصولی پوری توجہ کا مرکز رہی اور ہر ممکن کوشش رہی کہ کسی بھی اکاؤنٹ کا نوبہ بندہ ہونے سے روکا جائے۔ یہ بات حوصلہ افزاء ہے کہ زیر غور مدت میں زیر مقدمہ دو اکاؤنٹ سے تصفیہ کا معاہدہ ہو گیا ہے جس میں 9.0 ملین روپے کی وصولی متوقع ہے۔ باقی کینسزب حتمی فیصلے کے قریب ہیں اور ان کی جلد تصفیہ کے لئے مؤثر پالیسی عمل پزیر ہے۔

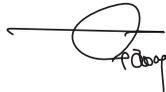
آپ کی بیجمنٹ، ٹرسٹ مضاربہ کے کاروبار میں مزید بہتری لانے کے لیے پر عزم ہے جس کے لیے تمام وسائل، صلاحیتوں اور مضبوط کاروباری پالیسیوں سے استفادہ حاصل کریں گے۔

## آمدنی سرٹیفکیٹ

زیر غور مدت پر آمدنی فی سرٹیفکیٹ 0.45 روپے فی سرٹیفکیٹ رہی اس کے مقابلے میں گذشتہ سال اسی مدت کے دوران یہ 0.06 روپے نقصان فی سرٹیفکیٹ تھی۔

## نتائج

بورڈ آف ڈائریکٹرز، SECP، سرٹیفکیٹ کنندگان کی مسلسل حمایت اور ایک انتہائی مشکل وقت میں مثبت نتائج حاصل کرنے کے لیے عملے کے ارکان کے عزم اور سخت محنت کو سراہتے ہیں۔



جناب میاں شیخ ارشد فاروق  
چیرمین، بورڈ آف ڈائریکٹرز



جناب بشیر اے۔ چودھری  
چیف ایگزیکٹو

26 فروری 2024

## REPORT OF SHARIAH ADVISOR

I have conducted Shariah Review of Trust Modaraba managed by Al-Zamin Modaraba Management (Private) Limited for the half year ended December 31, 2023, in accordance with the requirements of the Shariah Compliance and Shariah Audit Mechanism for Modarabas, in my opinion:

- I. the Modaraba has introduced a mechanism which has strengthened the Shariah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shariah principles;
- II. The agreements entered into by the Modaraba are Shariah compliant and the financing agreements have been executed on the formats as approved by the Religious Board and all the related conditions have been met.
- III. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shariah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah Compliance and Shariah Audit Regulations for Modarabas.
- IV. No earnings have been realized by any means prohibited by Shariah

In my opinion, the operations of Trust Modaraba are in conformity with the Shariah Compliance and Audit Mechanism for Modarabas.

MUHAMMAD ZUBAIR USMANI  
SHARIAH ADVISOR

Signature



**Muhammad Zubair Usmani**  
Jamia Darul Uloom Karachi.

1 February 2024, Karachi

# INDEPENDENT AUDITORS' REVIEW REPORT TO THE CERTIFICATE HOLDERS OF TRUST MODARABA

## REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

### INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of Trust Modaraba (the Modaraba) as at December 31, 2023, and the related condensed interim statement of profit and loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim cash flow statement, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as "the condensed interim financial statements"). The Modaraba Management Company [Al Zamin Modaraba Management (Private) Limited] is responsible for the preparation and presentation of the condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### EMPHASIS OF MATTER

- i) We draw attention to note 12.1.3 to the condensed interim financial statements for the half year ended December 31, 2023, which inter alia states the details of land which is owned but not in the possession of the Modaraba. Our opinion is not modified in respect of this matter.
- ii) We further draw attention to note 15 to the condensed interim financial statements for the half year ended December 31, 2023, which states the details of unclaimed dividend for which management has maintained separate saving account of Rs 5.04 million against unclaimed profit distribution of Rs. 12.83 million. This shortage of funds of Rs 7.79 million relates to unclaimed profit distribution when modaraba was managed by Trust management services (previous management company) from incorporation till 2009 when change of management took place. Our opinion is not modified in respect of this matter.

### OTHER MATTER

- i) The figures of the condensed interim income statement and condensed interim statement of other comprehensive income for the three month's period ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.
- ii) The engagement partner on the review resulting in this independent auditors' review report is Muhammad Shaukat Naseeb.

**Grant Thornton Anjum Rahman**

Chartered Accountants

Date: February 26<sup>th</sup>, 2024

Karachi

UDIN: RR202310126t59l6eTEQ

# CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2023

	Note	(Un-audited)	(Audited)
		December 31, 2023	June 30, 2023
-----Rupees-----			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		8,455,958	7,403,438
Investments	3	14,362,860	23,673,280
Advances, deposits, prepayments and other receivables	4	12,270,992	9,252,174
Murabaha finances - secured	5	31,194,941	33,138,031
Ijarah rental receivables - secured	6	3,994,472	2,797,830
Current portion of long term murabaha finances	7	42,518,184	54,965,658
Musharakah finances (secured - considered good)	8	15,147,415	16,399,135
Current portion of diminishing musharakah finances	9	31,379,324	15,004,620
Income tax refundable		1,239,391	1,840,370
		160,563,537	164,474,536
Assets classified as held for sale		8,625,000	8,625,000
<b>Total current assets</b>		169,188,537	173,099,536
<b>Non-current assets</b>			
Murabaha finances	7	2,570,324	4,078,227
Diminishing musharakah financing	9	105,978,489	62,386,644
Deposits		602,962	602,962
Investments	10	2,867,600	6,271,900
Fixed assets given on lease / ijarah - tangible	11	102,027,935	123,427,562
Fixed assets in own use	12	15,834,905	16,346,263
Intangible asset	13	225,551	155,552
Deferred taxation - net	14	1,856,309	2,388,431
<b>Total non-current assets</b>		231,964,075	215,657,541
<b>Total assets</b>		401,152,612	388,757,077
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Unclaimed profit distributions	15	12,829,484	12,831,607
Creditors, accrued and other liabilities	16	3,749,198	1,661,255
Charity payable	17	266,259	-
Current portion of deferred income on murabaha		1,331,337	2,400,180
Current portion of customers' security deposits		12,282,433	8,936,875
Current portion of lease liabilities against right of use assets		802,396	1,083,251
<b>Total current liabilities</b>		31,261,107	26,913,168
<b>Non-current liabilities</b>			
Deferred income on murabaha		175,434	1,012,756
Customers' security deposits		32,652,238	39,380,638
Lease liabilities against right of use assets		1,147,815	1,445,518
<b>Total non-current liabilities</b>		33,975,487	41,838,912
<b>Total liabilities</b>		65,236,594	68,752,080
<b>NET ASSETS</b>		335,916,018	320,004,997
<b>REPRESENTED BY</b>			
<b>CAPITAL AND RESERVES</b>			
Certificate capital		298,000,000	298,000,000
Reserves		42,061,640	28,506,449
<b>Total equity</b>		340,061,640	326,506,449
Unrealized loss on revaluation of investments	18	(4,145,622)	(6,501,452)
		335,916,018	320,004,997
<b>Contingencies and commitments</b>	19		

The annexed notes from 1 to 28 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Note	Half Year Ended December 31,		Quarter Year Ended December 31,	
		2023	2022	2023	2022
-----Rupees-----					
Income from ijarah - net	20	7,481,135	9,326,975	3,953,148	5,037,130
Profit on murabaha finances		2,542,752	4,514,420	1,262,311	2,099,912
Profit on diminishing musharakah/musharakah finances		19,004,823	5,690,183	11,151,559	3,902,781
Dividend income on equity investments		536,904	1,898,933	306,750	197,425
(Loss) on sale of short term investments		(6,447,588)	(1,095,192)	(1,357,236)	(528,326)
Other income	21	588,929	1,346,258	197,313	1,041,692
		<u>23,706,955</u>	<u>21,681,577</u>	<u>15,513,845</u>	<u>11,750,614</u>
Provision for doubtful receivables		(1,381,730)	(747,114)	(201,335)	(747,114)
Unrealized gain / (loss) on revaluation of financial assets at fair value through profit or loss		14,328,770	(2,165,355)	6,294,544	(2,970,635)
		<u>36,653,995</u>	<u>18,769,108</u>	<u>21,607,054</u>	<u>8,032,865</u>
Operating expenses	22	(18,214,845)	(19,763,789)	(9,181,241)	(10,392,139)
		<u>18,439,150</u>	<u>(994,681)</u>	<u>12,425,813</u>	<u>(2,359,274)</u>
Modaraba Management Company's fee		(1,843,915)	-	(1,242,581)	136,459
Workers' Welfare Fund		(331,905)	-	(223,665)	24,563
Profit / (loss) before taxation		<u>16,263,330</u>	<u>(994,681)</u>	<u>10,959,567</u>	<u>(2,198,252)</u>
Taxation		(2,708,139)	(819,498)	(1,170,048)	(700,894)
Profit / (loss) for the period		<u>13,555,191</u>	<u>(1,814,179)</u>	<u>9,789,519</u>	<u>(2,899,146)</u>
Earnings per certificate - basic and diluted	23	<u>0.45</u>	<u>(0.06)</u>	<u>0.33</u>	<u>(0.10)</u>

The annexed notes from 1 to 28 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 STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023**

	Note	Half Year Ended December 31,		Quarter Year Ended December 31,	
		2023	2022	2023	2022
-----Rupees-----					
<b>Profit / (loss) for the period</b>		13,555,191	(1,814,179)	9,789,519	(2,899,146)
<i>Other comprehensive (loss)/ income:</i>					
Items that will not be reclassified to profit and loss account	18.1				
- Net change in fair value of investments classified as 'fair value through other comprehensive income - net of tax		2,355,830	(508,127)	1,579,643	(232,379)
<i>"Items that may be reclassified subsequently to profit and loss account"</i>		-	-	-	-
Other comprehensive income / (loss) for the period		2,355,830	(508,127)	1,579,643	(232,379)
<b>Total comprehensive income / (loss) for the period</b>		<u>15,911,021</u>	<u>(2,322,306)</u>	<u>11,369,162</u>	<u>(3,131,525)</u>

The annexed notes from 1 to 28 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 STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Particulars	Certificate capital	Capital reserves		Revenue reserves		Total reserves	Total equity
		Statutory reserve	Accumulated losses	Revenue reserves	Accumulated losses		
Balance as at June 30, 2022	298,000,000	83,785,844	(55,206,290)			28,579,554	326,579,554
Loss for the period	-	-	(1,814,179)			(1,814,179)	(1,814,179)
Other comprehensive income for the period	-	-	-			-	-
Total comprehensive income for the period	-	-	(1,814,179)			(1,814,179)	(1,814,179)
Balance as at December 31, 2022	<b>298,000,000</b>	<b>83,785,844</b>	<b>(57,020,469)</b>			<b>26,765,375</b>	<b>324,765,375</b>
Balance as at June 30, 2023	298,000,000	83,785,844	(55,279,395)			28,506,449	326,506,449
Profit for the period	-	-	13,555,191			13,555,191	13,555,191
Other comprehensive income for the period	-	-	-			-	-
Total comprehensive income for the period	-	-	13,555,191			13,555,191	13,555,191
Balance as at December 31, 2023	<b>298,000,000</b>	<b>83,785,844</b>	<b>(41,724,204)</b>			<b>42,061,640</b>	<b>340,061,640</b>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

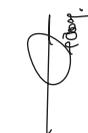
**For Al-Zamin Modaraba Management (Private) Limited**  
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

		December 31, 2023	December 31, 2022
	Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>			
Cash generated from operations	24	30,778,973	42,582,283
<i>Decrease / (Increase) in non-current assets:</i>			
- Long term murabaha finances		12,774,982	22,050,009
- Long term musharakah finances		(59,730,808)	(37,936,012)
<i>(Decrease) / Increase in non-current liabilities:</i>			
- Deferred income on murabaha		(1,906,165)	(4,036,697)
- Customers security deposits		(3,382,842)	6,416,300
Purchase of ijarah assets		(1,100,000)	(29,787,000)
Proceeds from disposal of ijarah assets		3,602,842	1,886,447
Income tax paid / deducted		(2,107,160)	(441,283)
<b>Net cash (used in) / generated from operating activities</b>		<b>(21,070,178)</b>	734,047
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of owned assets		(612,122)	(1,187,172)
Purchase of intangible assets		(120,000)	(200,000)
Proceeds from disposal of owned assets		-	465,000
Disposal of investments - net		23,097,639	4,148,124
Long term deposits		-	398,600
Dividends received		536,904	1,898,933
<b>Net cash generated from investing activities</b>		<b>22,902,421</b>	5,523,485
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment made against lease liability		(777,600)	(777,597)
Loan repaid to director		-	(5,000,000)
Profit distributed to certificate holders		(2,123)	-
<b>Net cash used in financing activities</b>		<b>(779,723)</b>	(5,777,597)
<b>Net increase in cash and cash equivalents</b>		<b>1,052,520</b>	479,935
Cash and cash equivalents at the beginning of the period		7,403,438	7,690,515
<b>Cash and cash equivalents at the end of the period</b>		<b>8,455,958</b>	8,170,450

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.

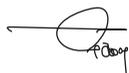
**For Al-Zamin Modaraba Management (Private) Limited**  
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

## FOR THE HALF YEAR ENDED DECEMBER 31, 2023

---

### 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; and
- 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 Modaraba Regulation 2021 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 The disclosures in these condensed interim financial statements do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended June 30, 2023. Comparative condensed interim statement of financial position is extracted from annual financial statements as at June 30, 2023, whereas comparative condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements of the Company for the six month period ended December 31, 2022.
- 2.3 These condensed interim financial statements are un-audited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange. These condensed interim financial statements for the half year ended December 31, 2023 has been subjected to limited scope review by the auditors.

#### 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, 2023.

#### 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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

3. SHORT TERM INVESTMENTS	Note	(Un-audited)	(Audited)
		December 31, 2023	June 30, 2023
Financial assets at fair value through profit and loss - Held for trading		-	439,685
NIT Islamic Unit Fund		14,362,860	23,233,595
Shares of listed companies	3.1	14,362,860	23,673,280

**3.1 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	December 31, 2023		June 30, 2023	
31-Dec 2023	30-Jun 2023		Average Cost	Market Value	Average Cost	Market Value
-----Rupees-----						
75,000	106,250	Fauji Cement Company Limited	1,679,488	1,419,000	2,379,274	1,249,500
20,000	32,000	D.G. Khan Cement Company Limited	1,494,489	1,548,000	3,017,682	1,641,600
100,000	165,000	Cnergyco Pk Limited	1,092,241	492,000	1,802,198	468,600
120,000	120,000	Hascol Petroleum Limited	1,622,511	890,400	1,622,511	666,000
15,000	30,000	Pakistan Petroleum Limited	1,795,539	1,725,450	2,434,434	1,774,200
10,000	35,500	Shell Pakistan Limited	1,758,910	1,504,700	6,443,029	4,105,575
-	50,000	Sui Southern Gas Company Limited	-	-	523,091	429,500
-	5,154	Dawood Hercules Corporation Limited	-	-	686,386	515,400
-	13,000	Descon Oxychem Limited	-	-	372,537	314,860
25,500	30,000	Nishat Mills Limited	2,488,379	1,956,360	3,151,994	1,703,100
-	18,000	National Refinery Limited	-	-	6,479,953	2,700,000
10,000	22,500	Netsol Technologies Limited	1,203,973	994,700	2,904,877	1,683,675
-	14,000	Oil & Gas Development Company Limited	-	-	1,205,765	1,092,000
-	45,000	Pakistan Telecommunication Company Limited	-	-	462,248	270,450
10,000	67,000	Unity Foods Ltd	327,977	236,300	2,197,445	1,047,210
10,000	25,740	Century Paper and Board Mills	498,164	325,600	1,282,273	726,898
-	7,500	Frieslandcampins Engro Foods	-	-	629,806	442,725
-	3,800	Lucky Cement Limited	-	-	2,222,170	1,983,942
10,000	8,000	The Searl Company Limited	565,958	514,800	400,428	306,560
-	65,000	K-Electric Limited	-	-	174,704	111,800
5,000	-	Citi Pharma Limited	120,830	118,700	-	-
10,000	-	Faysal Bank Limited	329,558	325,800	-	-
5,000	-	Hub Power Company	596,034	585,450	-	-
15,000	-	Lalpir Power Limited	322,546	338,700	-	-
10,000	-	Pak Electron Limited	225,382	225,800	-	-
20,000	-	Pakistan Refinery Limited	681,253	583,800	-	-
10,000	-	Engro Polymer & Chemical Limited	513,369	465,900	-	-
10,000	-	Fauji Foods Limited	112,339	111,400	-	-
			<b>17,428,940</b>	<b>14,362,860</b>	<b>40,392,805</b>	<b>23,233,595</b>

**4. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

	Note	(Un-audited)	(Audited)
		December 31, 2023	June 30, 2023
-----Rupees-----			
Loans to / receivable from employees - considered good		660,500	661,400
Prepayments		5,095,459	3,426,183
Advance against expenses		1,111,000	750,000
Accrued profit (secured - considered good)		2,677,705	1,155,192
Trade receivables - considered good (secured)	4.1	-	-
Legal suits' charges receivable (secured - considered good)	4.2	2,208,926	2,208,926
Receivable against sale of Faisalabad Property	4.3	-	-
Sundry receivables (unsecured - considered good)		517,402	1,050,473
		<b>12,270,992</b>	<b>9,252,174</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

		(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
		-----Rupees-----	
<b>4.1 Trade receivables</b>	<b>Note</b>		
Opening balance		100,000	100,000
Gross amount		100,000	100,000
Allowance for doubtful trade receivables		(100,000)	(100,000)
Closing balance		-	-
<b>4.2 Legal suits' charges receivable</b>			
Opening balance		2,675,852	2,455,852
Expenses incurred		-	220,000
Gross amount		2,675,852	2,675,852
Allowance for doubtful legal suits' charges		(466,926)	(466,926)
Closing balance		2,208,926	2,208,926
<b>4.3 Receivable against sale of Faisalabad Property</b>			
Opening balance		549,000	669,000
Received during the year		-	(120,000)
Gross amount		549,000	549,000
Provision made during the year		(549,000)	(549,000)
Closing balance		-	-
<b>5 MURABAHA FINANCES - SECURED</b>			
Considered good		5,200,000	5,800,000
Considered doubtful:			
- Regular parties		-	-
- Parties under litigation	5.2	37,522,421	38,879,019
		37,522,421	38,879,019
Provision for doubtful receivables	5.3	(11,527,480)	(11,540,988)
		31,194,941	33,138,031
<b>5.1</b>			
The Modaraba has sold goods under Murabaha arrangements whereby payment is deferred along with specified profit margin. These finances are secured by way of hypothecation of stocks, mortgage of properties, demand promissory notes, charge on assets and personal guarantees.			
<b>5.2</b>			
These represent receivables from 4 (June 30, 2023: 4) customers under Murabaha finance. Legal proceedings against these customers are in process in the Honorable Courts of Law (Banking court of Lahore). The Courts have awarded decree in favor of Modaraba in 4 (June 30, 2023: 4) cases for recovery of Rs. 50.277 million (June 30, 2023 Rs. 50.277 million).			
<b>5.3 Provision for doubtful receivables</b>			
Opening balance		11,540,988	11,410,411
(Reversal) / provision made during the period / year		(13,508)	130,577
Closing balance		11,527,480	11,540,988
<b>6 IJARAH RENTAL RECEIVABLES - SECURED</b>			
Considered good	6.1	1,087,591	402,946
Parties under litigation - considered doubtful		5,026,212	4,498,089
Suspended ijarah income - considered doubtful	6.2	(843,499)	(843,499)
Provision for doubtful ijarah rental receivables	6.3	(1,275,832)	(1,259,706)
		3,994,472	2,797,830

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

		(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
	Note -----	Rupees-----	
6.1	These are secured against ijarah assets and personal guarantees. In some ijarahs, additional collateral is also obtained in the form of mortgaged property. The Modaraba is entitled to repossess and sell the ijarah assets in case of default by the customers.		
6.2	<b>Suspended ijarah income - considered doubtful</b>		
		843,499	856,442
		-	(12,943)
		<u>843,499</u>	<u>843,499</u>
6.3	<b>Provision for doubtful Ijarah rental receivables</b>		
		1,259,706	570,193
		16,126	689,513
		<u>1,275,832</u>	<u>1,259,706</u>
7	<b>MURABAHA FINANCES - SECURED</b>		
		15,395,269	28,374,158
	7.3	36,079,408	36,180,742
	7.4	(6,386,169)	(5,511,015)
		45,088,508	59,043,885
		(42,518,184)	(54,965,658)
		<u>2,570,324</u>	<u>4,078,227</u>
7.1	The Modaraba has sold goods under murabaha arrangements whereby payment is deferred along with specified profit margin. These finances are secured by way of hypothecation stocks, mortgage of properties, demand promissory notes, charge on assets and personal guarantees.		
7.2	The maximum aggregate amount outstanding during the year at any point is Rs. 103,512,442 (June 30, 2023: Rs. 109,562,978).		
7.3	<b>Break up of considered doubtful Murabaha finances</b>		
		37,669,648	37,891,250
	7.3.1	(1,590,240)	(1,710,508)
	7.3.2	<u>36,079,408</u>	<u>36,180,742</u>
7.3.1	<b>Suspended income</b>		
		1,710,508	1,289,525
		(221,600)	(30,301)
		101,332	451,284
		<u>1,590,240</u>	<u>1,710,508</u>
7.3.2	The doubtful murabaha finances include receivables from 5 (June 30, 2023: 5) customers under murabaha finance which is under litigation. Legal proceedings against these customers are in process in the Courts of Law. The Courts have awarded decree in favor of Modaraba in 3 (June 30, 2023: 3) cases for recovery of Rs. 60.673 million (June 30, 2023: Rs. 60.673 million).		
7.4	<b>Provision for doubtful long term murabaha finances</b>		
		5,511,015	6,657,297
		1,180,395	-
		(305,241)	(1,146,282)
		<u>6,386,169</u>	<u>5,511,015</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

			(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
		Note	-----Rupees-----	
<b>8</b>	<b>MUSHARAKAH FINANCES - SECURED</b>			
	Considered good		15,318,487	17,219,609
	Provision for Musharakah finances	8.1	(171,072)	(820,474)
	Closing balance		<u>15,147,415</u>	<u>16,399,135</u>
<b>8.1</b>	<b>Provision for Musharakah finances</b>			
	Opening balance		820,474	696,048
	(Reversal) / provision for the period / year		(649,402)	124,426
	Closing balance		<u>171,072</u>	<u>820,474</u>
<b>9</b>	<b>DIMINISHING MUSHARAKAH FINANCING - SECURED</b>			
	Considered good		139,900,276	78,780,366
	Current / overdue portion		(31,379,324)	(15,004,620)
	Provision for Diminishing Musharakah finances	9.1	(2,542,463)	(1,389,102)
	Closing balance		<u>105,978,489</u>	<u>62,386,644</u>
<b>9.1</b>	<b>Provision for Diminishing Musharakah finances</b>			
	Opening balance		1,389,102	50,058
	Provision for the period / year		1,153,361	1,339,044
	Closing balance		<u>2,542,463</u>	<u>1,389,102</u>

**10 INVESTMENTS**

**Long term investments at fair value through OCI**

**Investment in 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	December 31, 2023		June 30, 2023	
Dec-23	Jun-23		Average Cost	Market Value	Average Cost	Market Value
-----Rupees-----						
25,000	90,000	Sui Northern Gas Pipelines Limited	1,612,973	1,838,000	5,806,704	3,543,300
20,000	21,500	The Searle Company Limited	3,015,351	1,029,600	4,743,273	1,029,850
-	75,000	Pakistan Telecommunication Company Limited	-	-	1,029,049	450,750
-	17,000	Oil & Gas Development Company	-	-	1,811,631	1,248,000
			<u>4,628,324</u>	<u>2,867,600</u>	<u>13,390,657</u>	<u>6,271,900</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

		(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
		-----Rupees-----	
<b>11</b>	<b>FIXED ASSETS GIVEN ON LEASE/IJARAH</b>	<b>Note</b>	
	Operating fixed assets given on lease (ijarah) - tangible	11.1	102,027,935
<b>11.1</b>	<b>Operating fixed assets given on lease (ijarah) - tangible</b>		123,427,562
	Opening written down value		123,427,562
	Additions during the period / year		1,100,000
	Disposals during the period / year		(3,602,840)
			120,924,722
	Depreciation charge for the period / year	20	(18,896,787)
			102,027,935
<b>12</b>	<b>FIXED ASSETS IN OWN USE</b>		
	Fixed assets in own use	12.1	14,189,466
	Right of use assets	12.2	1,645,439
			15,834,905
<b>12.1</b>	<b>Fixed assets in own use</b>		16,346,263
	Opening written down value		14,105,600
	Additions during the period / year	12.1.1	612,122
	Disposals during the period / year		-
			14,717,722
	Depreciation charge for the period / year	22	(528,256)
		12.1.2	14,189,466
<b>12.1.1</b>	<b>Additions during the period / year</b>		15,419,155
	Office equipment		435,922
	Furniture and fixtures		27,200
	Electrical equipment		149,000
	Vehicle		-
			612,122
<b>12.1.2</b>	<b>Book value at the end of period / year</b>		2,037,972
	Land	12.1.3	10,728,400
	Furniture and fixtures		560,699
	Office equipment		884,681
	Vehicles		1,351,893
	Electrical equipment		663,793
			14,189,466

**12.1.3** It represents a piece of land measuring 10 Kanals, costing 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 in the Civil Court, Lahore for possession of land. 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 recorded against such land. Management is also making efforts to achieve out of court settlement and next date of hearing is 22nd February, 2024 for further processing of the case.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
<b>12.2 Right of use assets</b>	-----Rupees-----	
Opening balance	2,240,663	2,266,005
Additions during the period / year	-	1,165,106
	<b>2,240,663</b>	<b>3,431,111</b>
Depreciation charge for the period / year	(595,224)	(1,190,448)
Closing balance	1,645,439	2,240,663
Lease term	1-5 years	1-5 years
Depreciation rate	20%	20%
<b>12.2.1</b>	There are no variable lease payments in the lease contracts. There were no leases with residual value guarantees or leases not yet commenced to which the Modaraba is committed.	
<b>12.2.2</b>	All assets are geographically located in Pakistan.	
	(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
<b>13 INTANGIBLE ASSET</b>	-----Rupees-----	
<b>Cost</b>		
Balance at beginning of the period / year	1,250,000	1,050,000
Additions during the period / year	120,000	200,000
Closing balance	1,370,000	1,250,000
<b>Accumulated amortisation</b>		
Balance at beginning of the period / year	1,094,448	1,050,000
Charged during the period / year	50,001	44,448
Closing balance	1,144,449	1,094,448
Written down value	225,551	155,552
Rate %	33%	33%
<b>14 DEFERRED TAXATION</b>		
<b>Taxable / (deductible) temporary difference in respect of:</b>		
Fixed assets in own use	1,531,659	2,999,128
Right of use assets	477,177	649,792
Provision for short term Murabaha finances	(906,969)	(910,887)
Provision for doubtful Ijarah rental receivables	(369,991)	(365,315)
Provision for doubtful Murabaha finances	(964,543)	(710,748)
Provision for short term Musharakah finances	(49,611)	(237,937)
Provision for Diminishing Musharakah finances	(737,314)	(402,840)
Provision against receivable -FSD property	(159,210)	(159,210)
Unrealized loss on revaluation of financial - assets at fair value through profit or loss	(61,059)	(1,888,173)
Unrealized loss on revaluation of financial assets at - fair value through other comprehensive income	(50,887)	(628,898)
Lease liabilities against right of use assets	(565,561)	(733,343)
	<b>(1,856,309)</b>	<b>(2,388,431)</b>
<b>15 UNCLAIMED PROFIT DISTRIBUTIONS</b>		

Management has maintained funds of Rs. 5,041,090 (June 30, 2023: Rs. 4,788,833) against unclaimed profit distribution of Rs 12,829,484 (June 30, 2023: 12,831,607) resulting in shortage of funds of Rs 7,788,394. This shortage of funds relates to unclaimed profit distribution when modaraba was managed by Trust management services (previous management company) from incorporation till 2009 when change of management took place through appointment of administrator by registrar under section 19 and 20 of Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980. Modaraba has maintained complete funds for unclaimed profit distribution after acquisition of Al-Zamin Management Company Limited in 2009 till date.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

		(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
		-----Rupees-----	
<b>16</b>	<b>CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
	Payable to Modaraba Management Company (Related party)	1,843,915	114,947
	Provision for Workers' Welfare Fund	381,868	70,653
	Accrued expenses	437,277	311,020
	Other liabilities	1,086,138	1,164,635
		<u>3,749,198</u>	<u>1,661,255</u>
<b>17</b>	<b>CHARITY PAYABLE</b>		
	It represents the amount of profits earned on unclaimed dividends held in Meezan bank (dividend account) which shall be utilized for charitable causes. The funds are maintained in pursuant to the regulations outlined in Section 244 of the Companies Act 2017.		
		(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
<b>18</b>	<b>UNREALIZED LOSS ON REVALUATION OF INVESTMENTS</b>	-----Rupees-----	
	Opening balance	(6,501,452)	(5,528,682)
	Surplus / (deficit) on revaluation during the period / year	2,355,830	(972,770)
	Closing balance	<u>(4,145,622)</u>	<u>(6,501,452)</u>
<b>18.1</b>	This represents surplus 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.		
<b>19</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>19.1</b>	<i>Contingencies</i>		
<b>19.1.1</b>	Notice was served to Trust Modaraba dated 28 August 2018, along with certain other modarabas, by Sindh Revenue Board (SRB) for the recovery of tax under Sindh Sales Tax on Services Act, 2011 amounting to Rs. 38.52 million comprising allegedly unpaid sales tax on services rendered in Sindh from years 2011-12 to 2017-18.		
	The Modaraba along with other Modarabas has filed a petition in Honorable Sindh High Court (SHC) on September 1, 2018 challenging the demand of Sindh Revenue Board (SRB) on the grounds of non-applicability of sales tax. A stay order in this regard has been granted by the SHC stating that no adverse order in respect of the proposed treatment shall be made against the Petitioners. The management of the Modaraba based on its discussions with its legal counsel is of the view that in light of the stay order of the Court and the merits of the matter involved, the impugned charge of sales tax will be quashed and favorable outcome is expected. Therefore, no provision for any sales tax liability on rentals of lease financing has been made in the financial statements. The expected date of hearing is 27th March, 2024 for further processing of the case.		
<b>19.1.2</b>	The Assistant commissioner Inland Revenue (ACIR) 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 before commissioner Inland Revenue (CIR). During the year, CIR remanded back the case to (ACIR) and taxpayer being aggrieved by the order of CIR filed appeal before Appellate Tribunal Inland Revenue (ATIR). The ATIR annulled the findings of ACIR and remit the matter to officer of Inland Revenue (OIR). As at period end, the matter is pending before the OIR and no reassessment order is issued to date.		
<b>19.2</b>	<b>Ijarah commitments</b>		
	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 at the year end are as follows:		
		(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
		-----Rupees-----	
	Disbursement of Musharakah to be made	9,000,000	18,118,000

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half year ended December 31,		Quarter ended December 31,		
	2023	2022	2023	2022	
<b>20 INCOME FROM IJARAH - NET</b>	-----Rupees-----				
Income from leasing and Ijarah operations	28,166,819	31,221,791	13,845,545	15,422,791	
Less: depreciation on fixed assets given on ijarah	(18,896,787)	(20,056,838)	(9,003,356)	(10,104,427)	
Less: insurance on ijarah assets	(1,788,897)	(1,837,978)	(889,041)	(281,234)	
	<b>7,481,135</b>	<b>9,326,975</b>	<b>3,953,148</b>	<b>5,037,130</b>	
<b>21 OTHER INCOME</b>					
Gain on disposal of ijarah assets	-	185,432	-	185,432	
Gain on disposal of owned fixed assets	-	357,035	-	351,995	
Profit on deposit and saving accounts with banks	216,829	333,203	(18,080)	285,161	
Processing, documentation charges	365,200	350,650	209,650	168,350	
Miscellaneous income	6,900	119,938	5,743	50,754	
	<b>588,929</b>	<b>1,346,258</b>	<b>197,313</b>	<b>1,041,692</b>	
<b>22 OPERATING EXPENSES</b>					
Salaries, allowances and other benefits	9,008,000	10,119,573	4,551,234	5,277,516	
Legal and professional charges	55,000	100,000	15,000	60,000	
Fees and subscription	1,744,571	2,156,829	834,434	1,111,101	
Electricity, gas and water	723,737	815,974	507,900	412,150	
Telephone, postage and courier	583,928	563,553	296,946	297,046	
Advertisement	38,435	63,435	38,435	38,435	
Printing and stationery	442,285	436,981	187,251	311,665	
Traveling and conveyance	369,523	347,751	120,107	170,194	
Entertainment	447,816	419,147	255,494	206,428	
Insurance	116,560	133,974	58,288	68,599	
Auditors' remuneration	84,700	-	84,700	-	
Vehicle running	1,068,169	1,058,697	557,254	522,274	
Newspaper and periodicals	7,120	7,405	3,640	1,950	
Rent, rates and taxes	355,900	444,352	156,000	11,190	
Repairs and maintenance	1,431,444	1,178,517	695,288	568,581	
Depreciation on own assets	528,256	826,901	273,812	614,482	
Depreciation on right of use assets	595,224	595,224	297,612	456,489	
Amortization on intangible assets	50,001	11,112	26,667	11,112	
Bank charges and commission	8,167	12,769	6,357	-	
Sales tax	48,671	43,535	23,548	12,858	
Unwinding of lease liabilities	199,042	282,079	93,908	171,502	
Miscellaneous	308,296	145,981	97,366	68,567	
	<b>18,214,845</b>	<b>19,763,789</b>	<b>9,181,241</b>	<b>10,392,139</b>	
<b>23 EARNINGS PER CERTIFICATE - BASIC</b>					
Profit/(loss) for the period	Rupees	13,555,191	(1,814,179)	9,789,519	(2,899,146)
Weighted average number of certificates	Number	29,800,000	29,800,000	29,800,000	29,800,000
Earnings per certificate	Rupees	0.45	(0.06)	0.33	(0.10)

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

24 CASH GENERATED FROM OPERATIONS		December 31,	
		2023 (Un-audited) ------(Rupees)-----	2022 (Un-audited)
Profit / (loss) before taxation	Note	16,263,330	(994,681)
<b>Adjustments for non-cash and other items:</b>			
- Depreciation:			
Under ijarah	20	18,896,787	20,056,838
In own use		528,256	826,901
Right of use assets		595,224	595,224
- Amortization on intangible assets		50,001	11,112
- Provision for doubtful receivables		1,381,730	747,114
- Gain on disposal of ijarah assets		-	(185,432)
- Gain on disposal own assets		-	(357,035)
- Loss on sale of short term investment		6,447,588	1,095,192
- Unrealized (gain)/loss on revaluation of held for trading investment		(14,328,770)	2,165,355
- Unwinding of lease liabilities		199,042	282,079
- Workers' Welfare Fund		(331,905)	-
- Dividend income		(536,904)	(1,898,933)
		12,901,049	23,338,415
<b>Operating profit before working capital changes</b>		<b>29,164,379</b>	<b>22,343,734</b>
Decrease / (increase) in current assets			
- Advances, deposits, prepayments and other receivables		(3,018,818)	17,875,749
- Short term murabaha finances		1,956,598	2,372,927
- Short term musharakah finances		1,901,122	9,784,092
- Ijarah rental receivables		(1,196,642)	24,640
Increase / (decrease) in current liabilities			
- Charity payable		266,259	-
- Creditors, accrued and other liabilities		1,706,075	(9,818,859)
		1,614,594	20,238,549
<b>Cash generated from operations</b>		<b>30,778,973</b>	<b>42,582,283</b>

25 TRANSACTIONS WITH RELATED PARTIES			Half year ended		Quarter ended	
			December 31		December 31	
Transactions during the period			2023	2022	2023	2022
-----Rupees-----						
Related party	Relationship	Nature of transaction				
Al-Zamin Modaraba Management	Modaraba Management Company	Management fee and others	1,843,915	-	1,242,581	(136,459)
		Office rent	624,000	-	-	-
		Electric bill expenses received	129,113	-	-	-
Employees' Provident fund	Associated undertaking	Contribution for the period	492,414	517,614	147,407	258,807
Director	Director	Interest free loan repaid	-	5,000,000	-	5,000,000
<b>Outstanding Balance as at the period end</b>					(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
Related party	Relationship	Nature of transaction	-----Rupees-----			
Al-Zamin Modaraba Management	Modaraba Management Company	Payable against management fee and others			1,843,915	114,947
Executives and close relatives thereof	Associated person	Loan receivables			500,000	500,000

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023

### 26 SEGMENT REPORTING

An operating segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined the operating segments based on the information that is presented to the Chief Executive Officer (Chief Operating Decision Maker) for allocation of resources and assessments of performance. Based on internal management reporting structure and products produced and sold, the Modaraba is organized into following five operating segments:

#### Types of segments

Nature of business
- Murabaha finances
- Ijarah finances
- Musharakah finances
- Investments
- Trading of stock

Sale of goods under murabaha arrangement  
Giving right to the benefit of using an asset for a consideration  
Joint enterprise formed for conducting some business  
Investments made in equity instruments of other companies and other investments  
Purchase and sale of stock in trade, including potatoes, rice, tractors, chillies, vehicles etc.

No operating segments have been aggregated to or form the above reportable operating segments.

The Chief Executive Officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. There were no transfers between operating segments during the period. (2022: Nil)

### 26.1 Segment analysis

The segment information for the reportable segments for the half year ended December 31, 2023 is as follows:

	31-Dec-23		31-Dec-22		Total	Investments	Murabaha Finances	Ijarah Finances	Musharakah Finances	Investments	Total
	Murabaha Finances	Ijarah Finances	Musharakah Finances	Total							
<b>Segment revenues / profits</b>											
Gross revenue from external customers	2,542,752	27,854,291	20,580,732	45,067,091	45,067,091	4,514,420	31,221,791	6,026,021	803,741	42,565,973	
Depreciation	-	(18,896,787)	-	(18,896,787)	(18,896,787)	-	(20,056,838)	-	-	(20,056,838)	
Insurance expense	-	(1,788,897)	(1,783,173)	(3,572,070)	(3,572,070)	-	(1,837,978)	(355,838)	-	(2,173,816)	
Other income	-	312,528	207,264	519,792	519,792	-	-	-	-	-	
Net revenue	2,542,752	7,481,135	19,004,823	23,118,026	23,118,026	4,514,420	9,326,975	5,690,183	803,741	20,335,319	
Unrealized Profit / (loss) on revaluation of investments (Provision) / Reversal for doubtful receivables	-	-	-	-	-	-	-	-	-	(2,165,358)	(2,165,358)
<b>Reportable segment profit</b>	2,542,752	7,481,135	19,004,823	37,446,796	37,446,796	4,514,420	9,326,975	5,690,183	(1,361,617)	18,169,961	
<b>Reportable segment assets</b>	77,693,875	108,333,802	157,451,081	360,709,218	360,709,218	107,136,412	152,035,521	57,061,655	32,592,771	348,826,359	
<b>Reportable segment liabilities</b>	1,506,771	44,971,780	-	46,478,551	46,478,551	5,028,069	50,867,212	-	-	55,895,281	
<b>Additions to non-current assets</b>	-	1,100,000	-	1,100,000	1,100,000	-	29,787,000	-	-	29,787,000	

Rupees  
(Un-audited)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

Reconciliation of reportable segments revenues, profit or loss, assets and liabilities is as follows:

	(Un-audited) Dec 31, 2023	(Un-audited) Dec 31, 2022
<b>Revenues</b>		
-----Rupees-----		
Total revenues for reportable segments	23,118,026	20,335,319
Other revenues	588,929	1,346,258
Modaraba's revenues	<u>23,706,955</u>	<u>21,681,577</u>
<b>Profit</b>		
Total profit for reportable segments	37,446,796	18,169,964
Other income	588,929	1,346,258
Provision for doubtful receivables	(1,381,730)	(747,114)
Operating expenses	(18,214,845)	(19,763,789)
Modaraba Management Company's fee	(1,843,915)	-
Workers' Welfare Fund	(331,905)	-
Taxation	(2,708,139)	(819,498)
	<u>13,555,191</u>	<u>(1,814,179)</u>
<b>Assets</b>		
	(Un-audited) Dec 31, 2023	(Audited) June 30, 2023
Total assets for reportable segments	360,709,218	348,514,749
Corporate assets unallocated:		
Advances, deposits, prepayments and other receivables	3,603,318	2,880,312
Income tax refundable	1,239,391	1,840,370
Deferred taxation - net	1,856,309	2,388,431
Deposits	602,962	602,962
Asset classified as held for sale	8,625,000	8,625,000
Fixed assets in own use	15,834,905	16,501,815
Intangible asset	225,551	-
Cash and bank balances	8,455,958	7,403,438
	<u>40,443,394</u>	<u>40,242,328</u>
Total assets as per the balance sheet	<u>401,152,612</u>	<u>388,757,077</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	46,478,551	52,042,047
Corporate liabilities unallocated:		
Unclaimed profit distributions	12,829,484	12,831,607
Creditors, accrued and other liabilities	3,712,089	1,299,119
Charity payable	266,259	-
Lease liabilities against right of use assets	1,950,211	2,528,769
Total liabilities as per the balance sheet	<u>65,236,594</u>	<u>68,701,542</u>

Certain liabilities, assets, other income and other operating charges of the Modaraba cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.

There are no differences between the measurements of the reportable segments' profits or losses, assets and liabilities with the Modaraba's profits or losses, assets and liabilities.

There are no changes from prior years in the measurement methods used to determine reported segment profit or loss.

There are no asymmetrical allocations to reportable segments.

**26.2** All non-current assets of the Modaraba are located in Pakistan as at the reporting date.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

**27 FAIR VALUE HIERARCHY**

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Modaraba to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table presents the Modaraba's assets and liabilities that are measured at fair value as at:

<b>December 31, 2023 (Un-audited):</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>-----Rupees-----</b>			
<b>Assets</b>				
<b>Short term investments</b>	<b>14,362,860</b>	-	-	<b>14,362,860</b>
<b>Long term investments</b>	<b>2,867,600</b>	-	-	<b>2,867,600</b>
	<b>17,230,460</b>	-	-	<b>17,230,460</b>
<b>June 30, 2023 (Audited)</b>				
<b>Assets</b>				
Short term investments	23,673,280	-	-	23,673,280
Long term investments	6,271,900	-	-	6,271,900
	29,945,180	-	-	29,945,180

During the half year ended December 31, 2023, there were no significant changes in the business or economic circumstances that affect the fair value of the Modaraba's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets and there were no changes in valuation techniques during the period.

**28 AUTHORIZATION OF FINANCIAL STATEMENTS**

These condensed interim financial statements are approved and authorized for issuance on February 26<sup>th</sup>, 2024 by the Board of Directors of the Management Company.

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

  
 CHIEF EXECUTIVE

  
 DIRECTOR

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER

# BOOK POST

To,

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