

Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (Private) Limited.

HALF YEARLY REPORT **DECEMBER 31, 2024**



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. Muhammad Sami Ullah	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
1st 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 is pleased to present financial statements of Trust Modaraba for the half year ended on 31st December, 2024.

ECONOMIC OUTLOOK

Sustained positive developments during July-Dec, 2024 have further strengthened the optimistic outlook for the ongoing fiscal year. Easing of monetary policy and falling interest rates have provided much needed boost to the economic activity restoring business confidence. The rising demand for credit specially from private sector and robust increase in the share market index are positive signals of growing confidence in the economy. This momentum is expected to accelerate fostering higher production levels and enhanced economic output in the forthcoming period. Strong remittance inflows, increased agricultural exports and conducive monetary policy settings have resulted in a surplus current account in six months to Dec,2024. Amongst the LSM sector, automobile and cement sectors exhibited strong performance providing critical boost to their allied industries as well. Improved fiscal performance during the first half of the current financial year supported by relatively higher revenues and prudent expenditure management are expected to create fiscal space for development spending and support sustainable economic growth going forward.

FINANCIAL HIGHLIGHTS

A snapshot of key operating data is presented hereunder:

HALF YEAR ENDED ON 31 ST DEC,	2024-25	2023-24
Gross Revenue	40,119,659	23,706,955
Provisions	(325,589)	(1,381,730)
Unrealized gain	3,391,483	14,328,770
Net Revenue	43,185,553	36,653,995
Operating Expenses	23,250,753	18,214,845
Income before management fee	19,934,800	18,439,150
Management fee & WWF	2,352,306	2,175,820
Profit before tax	17,582,494	16,263,330
Taxation	(2,335,616)	(2,708,139)
Profit after tax	15,246,878	13,555,191

PERFORMANCE

It is encouraging to report that your Modaraba maintained steady pace of growth in its business operations and achieved significant progress in performance during first half of the current financial year as is evident from the financial highlights noted above. Aggregate revenue generated from business operations amounted to Rs. 40.12 million as compared to Rs.23.70 million of the previous comparable period, thereby registering an increase of 69%. This increase in revenue was achieved

through effective utilization of funds at attractive rates backed by assets having good secondary value and substantial capital gain from share portfolio, . The period under consideration was also remarkable for Pakistan Stock Exchange characterized by significant increase in stock market index reaching a level of as high as 113,000 points at one point in time during the period. Trading opportunity thus available was duly capitalized and capital gain of Rs.3.21 million was realized in addition to dividend income of Rs.429,000/-. Appreciation in stock prices also provided revaluation gain of Rs.3.39 million on the portfolio classified as 'held for trading'. Capacity building to strengthen marketing function and over all inflationary impact on costs across the board resulted in increase of operating expenses, but remained within the budget allocated for the period under consideration. The said increase in operating expenses was more than offset by the growth in revenue. As a result of improvement in credit quality, provisions for classified accounts remained minimal at Rs.325,589. Profit before tax of Rs.17.58 million was achieved after accounting for management fee (Rs.2.00 million) and WWF (Rs.0.36 million) accrued during the period under consideration. After accounting for tax liability of Rs.2.34 million, profit of Rs. 15.25 million was achieved for the first half of the current financial year depicting an increase of 12.5% as compared to the preceding comparable period. Asset base of the Modaraba stood at Rs.400.12 million as at 31st December, 2024.

The period under consideration is also witnessed steady trend of disbursements totalling Rs.100.96 million mainly under diminishing mode of financing. Thorough due diligence of each client was carefully conducted to ensure compliance with the norms of prudent lending and regulatory requirements, which resulted in building of a solid and diversified client base. The portfolio developed during the period comprised of corporate sector (64%) followed by individuals (34%) having sound financial standing and proven track record of repayments. Strong follow was maintained to ensure receipt of repayment instalments on due dates.

Going forward your management remains committed to achieve further excellence in the operations of the Modaraba for the benefit of all the stake holders.

EARNINGS PER CERTIFICATE

Earnings per certificate for the period under review stood at Rs.0.51 as against Rs.0.45 of the previous comparable half year.

The current financial year has commenced on a positive note for your Modaraba and the encouraging results achieved during the first quarter have been further strengthened in the second quarter. Keeping our operations aligned with the changing market trends, your management is committed to make every possible effort to achieve further progress in growth and profitability of the Modaraba.

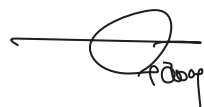
ACKNOWLEDGEMENT

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 and their valuable support to the Modaraba.

For and on behalf of Trust Modaraba



Mr. Basheer A. Chowdry
Chief Executive



Mr. Mian Sheikh Arshad Farooq
Chairman

27th February, 2025.

الضامن مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز جو کہ ٹرسٹ مضاربہ کی مینجمنٹ کمپنی ہے، 31 دسمبر 2024ء کو ختم ہونے والی ششماہی کے لئے مالی گوشوارے پیش کرنے پر مسرت کا اظہار کرتے ہیں۔

معاشی منظر نامہ

مسلسل معاشی مثبت پیش رفت نے رواں مالی سال جولائی تا دسمبر 2024 کے لیے پر امید نقطہ نظر کو مزید تقویت دی ہے۔ زری پالیسی میں نرمی اور شرح سود میں کمی نے کاروباری اعتماد کی بحالی کے لئے معاشی سرگرمی کو مزید فروغ فراہم کیا ہے۔ خاص طور پر نئی شعبے کی جانب سے قرضوں کی بڑھتی ہوئی طلب اور حصص مارکیٹ انڈیکس میں زبردست اضافہ معیشت میں بڑھتے ہوئے اعتماد کے مثبت اشارے ہیں۔ توقع ہے کہ اس رفتار سے آنے والے عرصے میں صنعتی پیداوار کی سطح اور اقتصادی پیداوار میں اضافہ کو فروغ دینے میں تیزی آئے گی۔ ترسیلات زر کی بہتری، زرعی برآمدات میں اضافہ اور سازگار زرعی پالیسی کے نتیجے میں (جولائی تا دسمبر 2024) ششماہی میں مثبت کرنٹ اکاؤنٹ دیکھا گیا ہے۔ بڑے پیمانے کے مینوفیکچرنگ سیکٹر میں آٹوموبائل اور سینٹ کے شعبوں نے مضبوط کارکردگی کا مظاہرہ کیا جس سے ان کی متعلقہ صنعتوں کو بھی فروغ ملا۔ رواں مالی سال کی پہلی ششماہی کے دوران بہتر مالی کارکردگی کی وجہ سے نسبتاً زیادہ محاصلات اور اخراجات کے دانشمندانہ انتظام سے ترقیاتی اخراجات کے لئے مالی گنجائش پیدا ہونے اور مستقبل میں پائیدار اقتصادی ترقی خاطر خواہ اضافہ کی امید کی جاسکتی ہے۔

مالیاتی جھلکیاں

کاروبار کے نتیجے میں حاصل ہونے والے اعداد و شمار کی مختصر معلومات درج ذیل ہیں:

2023-24	2024-25	سال کی پہلی ششماہی جولائی تا دسمبر 2024
23,706,955	40,119,659	مجموعی آمدنی
(1,381,730)	(325,589)	مکملہ نقصانات (Provisions)
14,328,770	3,391,483	غیر حاصل شدہ فائدہ (Un-realized Gain)
36,653,995	43,185,553	آمدن
18,214,845	23,250,753	آپریٹنگ اخراجات
18,439,150	19,934,800	آمدن قبل از مینجمنٹ فیس
2,175,820	2,352,306	مینجمنٹ فیس اور ورکرز کی فلاح و بہبود کا فنڈ
16,263,330	17,582,494	منافع قبل از ٹیکس
(2,708,139)	(2,335,616)	ٹیکس
13,555,191	15,246,878	منافع بعد از ٹیکس

کارکردگی کا جائزہ

یہ امر حوصلہ افزا ہے کہ آپ کے مضاربہ نے اپنے کاروبار میں ترقی کی مستحکم رفتار کو برقرار رکھا اور رواں مالی سال کی پہلی ششماہی کے دوران کارکردگی میں نمایاں پیش رفت حاصل کی جیسا کہ اوپر بیان کردہ مالیاتی جھلکیوں سے واضح ہے۔ کاروباری آپریشنز سے حاصل ہونے والی مجموعی آمدنی گزشتہ اسی عرصے کے 23.70 ملین روپے کے مقابلے میں 40.12 ملین روپے رہی جس سے 69 فیصد اضافہ ریکارڈ کیا گیا۔ آمدنی میں یہ اضافہ ایک منظم اور موثر حکمت عملی کے نتیجے میں حاصل کیا گیا جس میں اسلامی

اصولوں کی بنیاد پر محفوظ سرمایہ کاری اور حصص کی خرید و فروخت نے نمایاں کردار ادا کیا ہے۔ زیر غور عرصہ پاکستان اسٹاک ایکسچینج کے لئے بھی قابل ذکر تھا جس میں سٹاک مارکیٹ انڈیکس میں نمایاں اضافہ ہوا اور اس عرصے کے دوران ایک وقت میں 113,000 پوائنٹس کی بلند ترین سطح دیکھی گئی۔ اس طرح دستیاب تجارتی مواقع کا مناسب طور پر سرمایہ کاری کی گئی اور 429,000 روپے کے منافع کی آمدنی کے علاوہ 3.21 ملین روپے کا کمیٹیئل گین حاصل کیا گیا۔ حصص کی قیمتوں میں اضافے سے "ہیلڈ فار ٹریڈنگ" کے زمرے میں آنے والے پورٹ فولیو پر 3.39 ملین روپے کا دوبارہ جائزہ لینے میں بھی مدد ملی۔ مارکیٹنگ فنکشن کو مضبوط بنانے کے لئے صلاحیت سازی اور بورڈ بھر کے اخراجات پر تمام افراط زر کے اثرات کے نتیجے میں آپریٹنگ اخراجات میں اضافہ ہوا، لیکن زیر غور مدت کے لئے مختص بجٹ کے اندر رہا۔ آپریٹنگ اخراجات میں مذکورہ اضافہ آمدنی میں اضافے سے کہیں زیادہ تھا۔ کریڈٹ کوالٹی میں بہتری کے نتیجے میں کلاسیفائیڈ اکاؤنٹس کے لئے 325,589 روپے کا اہتمام کم سے کم رہا۔ زیر غور مدت کے دوران مینجمنٹ فیس (2.00 ملین روپے) اور ڈیلیوڈ بلیو ایف (0.36 ملین روپے) کے حساب سے 17.58 ملین روپے کا قبل از ٹیکس منافع حاصل کیا گیا۔ 2.34 ملین روپے کی ٹیکس ذمہ داری کے حساب سے رواں مالی سال کی پہلی ششماہی میں 15.25 ملین روپے کا منافع حاصل کیا گیا جو گزشتہ اسی مدت کے مقابلے میں 12.5 فیصد زیادہ ہے۔ 31 دسمبر 2024ء کو مضاربہ کے اثاثوں کی مالیت 400.12 ملین روپے تھی۔ زیر غور مدت میں مجموعی طور پر 100.96 ملین روپے کی تقسیم کا بھی مستقل رجحان دیکھا گیا ہے جس کی بنیادی وجہ فنانسنگ میں کمی ہے۔ ہر کلائنٹ کی مکمل جانچ پڑتال احتیاط سے کی گئی تاکہ دانشمندانہ قرضے اور ریگولیٹری ضروریات کے اصولوں کی تعمیل کو یقینی بنایا جاسکے، جس کے نتیجے میں ایک ٹھوس اور متنوع کلائینٹس بیس کی تعمیر ہوئی۔ اس عرصے کے دوران تیار کردہ پورٹ فولیو کارپوریٹ سیکٹر (64 فیصد) پر مشتمل تھا جس کے بعد ایسے افراد (34 فیصد) شامل تھے جن کی مالی حالت اچھی تھی اور ادائیگیوں کا ثابت شدہ ٹریک ریکارڈ تھا۔ مقررہ تاریخوں پر ادائیگی کی قسطوں کی وصولی کو یقینی بنانے کے لئے مضبوط پیروی برقرار رکھی گئی تھی۔

آنے والے دنوں میں آپ کی انتظامیہ تمام اسٹیٹک ہولڈرز کے فائدے کے لئے مضاربہ کے کاروباری معاملات میں مزید عمدگی حاصل کرنے کے لئے پرعزم اور کوشاں رہے گی۔

آمدنی سرٹیفکیٹ

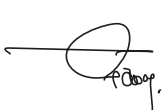
رواں مالی سال کی پہلی ششماہی کے اختتام پر فی سرٹیفکیٹ آمدن 0.51 روپے رہی جو گزشتہ نصف سال میں 0.45 روپے تھی۔
رواں مالی سال کا آغاز آپ کے مضاربہ کے لئے مثبت انداز میں ہوا ہے اور پہلی سہ ماہی کے دوران حاصل ہونے والے حوصلہ افزا نتائج کو دوسری سہ ماہی میں مزید تقویت ملی ہے۔ مارکیٹ کے بدلتے ہوئے رجحانات کے ساتھ ہمارے آپریٹرز کو ہم آہنگ رکھتے ہوئے، آپ کی انتظامیہ مضاربہ کی ترقی اور منافع میں مزید پیش رفت حاصل کرنے کے لئے ہر ممکن کوشش کرنے کے لئے پرعزم ہے۔

ستائش

بورڈ ایس ای سی پی کی مسلسل حمایت، سرٹیفکیٹ ہولڈرز، عملہ کے ارکان کے عزم اور سخت محنت اور مضاربہ کے لئے ان کی قابل قدر حمایت کو ریکارڈ پر رکھنا چاہتا ہے۔

ٹرسٹ مضاربہ کے لئے اور اس کی طرف سے

برائے بورڈ آف ڈائریکٹرز کے جانب سے



میاں شیخ ارشد فاروق
چیئر مین



بشیر اے۔ چوہدری
چیف ایگزیکٹو ایڈیوٹو

27 فروری 2025

REPORT OF SHARIAH ADVISOR

I have reviewed the operations of Trust Modaraba managed by Al-Zamin Modaraba Management (Private) Limited for the half year ended December 31, 2024, in accordance with the requirements of the applicable Shariah regulations. 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 Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah 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.

1 February 2025, Karachi

Signature



Muhammad Zubair Usmani
Jamia Darul Uloom Karachi.

MUHAMMAD ZUBAIR USMANI
SHARIAH ADVISOR

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

Report on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Trust Modaraba** (the Modaraba) as at **December 31, 2024**, 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 information for the half year then ended (here-in-after referred to as "the condensed interim financial information"). The Modaraba Management Company [Al Zamin Modaraba Management (Private) Limited] is responsible for the preparation and presentation of the condensed interim financial information 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 information 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 information 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 information 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) **DHA land case**
We draw attention to note 12.1.4 to the condensed interim financial information for the half year ended December 31, 2024, which inter alia states the details of land which is owned but not in the possession of the Modaraba.
- ii) **Unclaimed dividend**
We further draw attention to note 15 to the condensed interim financial information for the half year ended December 31, 2024, which states the details of unclaimed dividend for which management has maintained separate saving account of Rs 3.78 million (refer note 3) against unclaimed profit distribution of Rs. 13.76 million.

Our conclusion is not modified in respect of these matters.

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, 2024, and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.
- ii) The engagement partner on the review resulting in this independent auditors' review report is Muhammad Shaukat Naseeb.

Grant Thornton Anjum Rahman

Chartered Accountants
Karachi

Date:

UDIN: 202410126NX0iRD3LW

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	(Un-audited) 31-Dec-24	(Audited) 30-Jun-24
		-----Rupees-----	
ASSETS			
Current assets			
Cash and bank balances	3	5,693,344	10,384,061
Short term investments	4	18,493,650	20,970,987
Advances, prepayments and other receivables	5	14,045,398	11,365,248
Murabaha finances - secured	6	25,380,000	25,400,000
Ijarah rental receivables - secured	7	3,215,841	3,788,925
Current portion of long term murabaha finances	8	40,265,790	41,708,561
Musharakah finances (secured - considered good)	9	10,892,192	13,395,756
Current portion of diminishing musharakah finances	10	62,447,347	45,244,359
Income tax refundable		5,113,673	3,997,069
Total current assets		185,547,235	176,254,966
Non-current assets			
Murabaha finances	8	4,575,729	6,109,160
Diminishing musharakah financing	10	139,504,789	129,420,831
Deposits		294,662	294,662
Long term investments		-	2,284,801
Fixed assets given on lease / ijarah - tangible	11	42,702,293	74,450,750
Fixed assets in own use	12	25,840,194	22,948,196
Intangible asset	13	745,276	948,940
Deferred taxation - net	14	911,426	1,639,122
Total non-current assets		214,574,369	238,096,462
Total assets		400,121,604	414,351,428
EQUITY AND LIABILITIES			
LIABILITIES			
Current liabilities			
Unclaimed profit distributions	15	13,769,269	12,828,131
Creditors, accrued and other liabilities	16	4,878,472	10,266,832
Charity payable	17	312,884	269,532
Current portion of deferred income on murabaha		1,806,918	2,272,786
Current portion of customers' security deposits		6,357,520	11,660,170
Current portion of lease liabilities against right of use assets		2,049,855	1,799,923
Total current liabilities		29,174,918	39,097,374
Non-current liabilities			
Deferred income on murabaha		442,269	907,964
Customers' security deposits		15,371,368	24,338,468
Lease liabilities against right of use assets		8,494,666	6,142,142
Total non-current liabilities		24,308,303	31,388,574
Total liabilities		53,483,221	70,485,948
NET ASSETS		346,638,383	343,865,480
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital		298,000,000	298,000,000
Reserves		48,638,383	49,737,575
Total equity		346,638,383	347,737,575
Unrealized loss on revaluation of investments		-	(3,872,095)
		346,638,383	343,865,480

Contingencies and commitments

18

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

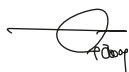
For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

	Note	Half Year Ended		Quarter Year Ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		-----Rupees-----		-----Rupees-----	
Income from ijarah - net	19	4,600,462	7,481,135	1,982,872	3,953,148
Profit on murabaha finances		2,106,924	2,542,752	1,047,633	1,262,311
Profit on diminishing musharakah/musharakah finances		25,140,319	19,004,823	12,449,314	11,151,559
Dividend income on equity investments		429,000	536,904	216,500	306,750
Gain/(loss) on sale of short term investments		3,210,301	(6,447,588)	2,710,830	(1,357,236)
Other income	20	4,632,653	588,929	1,010,905	197,313
		40,119,659	23,706,955	19,418,054	15,513,845
Provision for doubtful receivables		(325,589)	(1,381,730)	(325,589)	(201,335)
Unrealized gain on revaluation of financial assets at fair value through profit or loss		3,391,483	14,328,770	4,673,660	6,294,544
		43,185,553	36,653,995	23,766,125	21,607,054
Operating expenses	21	(23,250,753)	(18,214,845)	(12,379,000)	(9,181,241)
		19,934,800	18,439,150	11,387,125	12,425,813
Modaraba Management Company's fee		(1,993,480)	(1,843,915)	(1,138,713)	(1,242,581)
Workers' Welfare Fund		(358,826)	(331,905)	(204,968)	(223,665)
Profit before taxation		17,582,494	16,263,330	10,043,444	10,959,567
Taxation		(2,335,616)	(2,708,139)	(1,090,103)	(1,170,048)
Net profit for the period		15,246,878	13,555,191	8,953,341	9,789,519
Earnings per certificate - basic and diluted	22	0.51	0.45	0.30	0.33

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

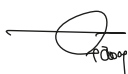
For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

Note	Half Year Ended		Quarter Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	-----Rupees-----			
Profit for the period	15,246,878	13,555,191	8,953,342	9,789,519
Other comprehensive income:				
<i>Items that will not be reclassified to profit and loss account</i>				
- Net change in fair value of investments classified as 'fair value through other comprehensive income - net of tax	2,676,246	2,355,830	2,683,046	1,579,643
Other comprehensive income for the period	2,676,246	2,355,830	2,683,046	1,579,643
Total comprehensive income for the period	17,923,124	15,911,021	11,636,388	11,369,162

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

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 HALF YEAR ENDED DECEMBER 31, 2024

Particulars	Certificate capital	Capital reserves		Revenue reserves		Total reserves	Total equity
		Statutory reserve	-	Accumulated losses	-		
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	298,000,000	83,785,844	-	(41,724,204)	-	42,061,640	340,061,640
Balance as at June 30, 2024	298,000,000	88,032,069	-	(38,294,494)	-	49,737,575	347,737,575
Profit for the period	-	-	-	15,246,878	-	15,246,878	15,246,878
Other comprehensive (loss) for the period	-	-	-	(1,446,070)	-	(1,446,070)	(1,446,070)
Total comprehensive income for the period	-	-	-	13,800,808	-	13,800,808	13,800,808
Transactions with owners							
Profit distribution for the year ended June 30, 2024	-	-	-	(14,900,000)	-	(14,900,000)	(14,900,000)
@ Rs. 0.50 per certificate	-	-	-	(39,393,686)	-	(39,393,686)	(39,393,686)
Balance as at December 31, 2024	298,000,000	88,032,069	-	(39,393,686)	-	48,638,383	346,638,383

----- (Rupees) -----

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

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, 2024

	Note	December 31,	
		2024	2023
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations			
Cash generated from operations	23	14,832,813	30,778,973
<i>Decrease / (Increase) in non-current assets:</i>			
- Long term murabaha finances		2,828,685	12,774,982
- Long term musharakah finances		(26,879,867)	(59,730,808)
<i>(Decrease) / Increase in non-current liabilities:</i>			
- Deferred income on murabaha		(931,563)	(1,906,165)
- Customers security deposits		-	(3,382,842)
Purchase of ijarah assets		-	(1,100,000)
Proceeds from disposal of ijarah assets		10,012,256	3,602,842
Income tax paid / deducted		(2,974,745)	(2,107,160)
Net cash used in operating activities		(3,112,421)	(21,070,178)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of owned assets		(569,778)	(612,122)
Purchase of intangible assets		-	(120,000)
Proceeds from disposal of owned assets		1,175,000	-
Disposal of investments - net		14,980,438	23,097,639
Dividends received		429,000	536,904
Net cash generated from investing activities		16,014,660	22,902,421
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment made against lease liability		(3,634,094)	(777,600)
Profit distributed to certificate holders		(13,958,862)	(2,123)
Net cash used in financing activities		(17,592,956)	(779,723)
Net (decrease) / increase in cash and cash equivalents		(4,690,717)	1,052,520
Cash and cash equivalents at the beginning of the period		10,384,061	7,403,438
Cash and cash equivalents at the end of the period		5,693,344	8,455,958

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

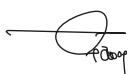
For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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 (AZMMML). 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 office is located at 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 information 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 of and directives of relevant laws have been followed.

2.2 The disclosures in these condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2024. Comparative condensed interim statement of financial position is extracted from annual financial statements as at June 30, 2024, 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, 2024.

2.3 These condensed interim financial information 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, 2024 has been subjected to limited scope review by the auditors.

2.4 Critical accounting estimates and judgments

The preparation of these condensed interim financial information 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, 2024.

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 INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

		(Un-audited) December 31 2024	(Audited) June 30 2024
		-----Rupees-----	
3 CASH AND BANK BALANCES	Note		
- Current accounts		7,916	12,144
- Saving accounts		916,465	5,366,270
		924,381	5,378,414
Savings account - dividend		3,786,631	5,003,881
Non Chequing- dividend		969,993	-
		4,756,624	5,003,881
Balances with banks - total		5,681,005	10,382,295
Cash in hand		12,339	1,766
		5,693,344	10,384,061
4 SHORT TERM INVESTMENTS			
Financial assets at fair value through profit or loss:			
NIT Islamic Equity Fund		-	814
Shares of listed companies	4.1	18,493,650	20,970,173
		18,493,650	20,970,987

4.1 Shares of listed companies

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

Number of shares		Name of Investee		(Un-audited) December 31, 2024		(Audited) June 30, 2024	
Dec-24	June-24	Average Cost	Market Value	Average Cost	Market Value	-----Rupees-----	
-	40,000	-	-	888,863	916,400		
250,000	100,000	2,117,416	1,962,500	1,092,241	385,000		
-	120,000	-	-	1,622,511	742,800		
-	30,000	-	-	3,563,730	3,513,300		
-	15,000	-	-	2,427,483	2,011,500		
-	25,500	-	-	2,488,379	1,806,675		
-	10,000	-	-	1,372,309	1,357,600		
-	10,000	-	-	1,377,431	1,353,700		
-	10,000	-	-	327,977	301,500		
15,000	10,000	669,709	494,400	498,164	299,500		
-	5,000	-	-	294,629	285,600		
-	4,000	-	-	1,509,564	1,406,360		
30,000	20,000	1,336,524	1,112,100	959,374	898,400		
-	20,000	-	-	220,678	177,400		
75,000	10,000	9,506,440	9,816,750	1,632,763	1,630,800		
10,000	20,000	500,963	459,400	756,280	760,000		
-	25,000	-	-	163,098	154,250		
-	25,000	-	-	822,742	580,000		
-	11,000	-	-	1,968,341	1,828,310		
-	6,086	-	-	434,668	386,278		
-	20,000	-	-	231,678	174,800		
25,000	-	2,582,018	2,623,000	-	-		
20,000	-	601,035	547,800	-	-		
50,000	-	271,725	280,000	-	-		
10,000	-	728,255	708,100	-	-		
10,000	-	470,811	489,600	-	-		
		18,784,896	18,493,650	24,652,903	20,970,173		

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2024

		(Un-audited) December 31 2024	(Audited) June 30 2024
	Note	-----Rupees-----	
5 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Loans to / receivable from employees - considered good		461,000	344,500
Prepayments		5,119,702	4,128,226
Advance against lease		-	962,000
Advance against expenses		22,222	550,000
Accrued profit (secured - considered good)		2,533,339	2,527,683
Trade receivables - considered good (secured)	5.1	-	-
Legal suits' charges receivable (secured - considered good)	5.2	2,316,076	2,311,076
Receivable against sale of Faisalabad Property	5.3	-	-
Sundry receivables (unsecured - considered good)		3,593,059	541,763
		<u>14,045,398</u>	<u>11,365,248</u>
5.1 Trade receivables			
Opening balance		100,000	100,000
Gross amount		100,000	100,000
Allowance for doubtful trade receivables		(100,000)	(100,000)
Closing balance		-	-
5.2 Legal suits' charges receivable			
Opening balance		2,718,002	2,675,852
Expenses incurred		5,000	102,150
Write off due to settlement		-	(60,000)
Gross amount		2,723,002	2,718,002
Allowance for doubtful legal suits' charges receivables		(406,926)	(406,926)
Closing balance		2,316,076	2,311,076
5.3 Receivable against sale of Faisalabad Property			
Opening balance		549,000	549,000
Provision made during the period		(549,000)	(549,000)
Closing balance		-	-
6 MURABAHA FINANCES - SECURED			
Considered good		-	-
Considered doubtful:			
- Regular parties		-	-
- Parties under litigation		33,800,000	33,800,000
Provision for doubtful receivables	6.1	(8,420,000)	(8,400,000)
		<u>25,380,000</u>	<u>25,400,000</u>
6.1			
These represent receivables from 3 (June 30, 2024: 3) 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 3 (June 30, 2024: 3) cases for recovery of Rs. 39.727 million (June 30, 2024: Rs. 39.727 million).			
7 IJARAH RENTAL RECEIVABLES - SECURED		(Un-audited) December 31 2024	(Audited) June 30 2024
	Note	-----Rupees-----	
Considered good	7.1	294,450	877,656
Parties under litigation - considered doubtful		5,026,212	5,026,107
Suspended ijarah income - considered doubtful		(843,499)	(843,499)
Provision for doubtful ijarah rental receivables		(1,261,322)	(1,271,339)
		<u>3,215,841</u>	<u>3,788,925</u>
7.1			
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.			

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

		(Un-audited) December 31 2024	(Audited) June 30 2024
8 MURABAHA FINANCES - SECURED	Note	-----Rupees-----	
Considered good		15,298,126	16,579,718
Considered doubtful	8.2	36,146,916	37,912,999
Provision for doubtful long term murabaha finances		<u>(6,603,523)</u>	<u>(6,674,996)</u>
		44,841,519	47,817,721
Current / overdue portion shown under current assets		<u>(40,265,790)</u>	<u>(41,708,561)</u>
		<u>4,575,729</u>	<u>6,109,160</u>
8.1	The Modarabahas sold goods under murabaha arrangements where by 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.		
		(Un-audited) December 31 2024	(Audited) June 30 2024
8.2 Break up of considered doubtful Murabaha finances	Note	-----Rupees-----	
Considered doubtful		37,669,650	39,511,777
Suspended income	8.2.1	<u>(1,522,734)</u>	<u>(1,598,778)</u>
	8.2.2	<u>36,146,916</u>	<u>37,912,999</u>
8.2.1 Suspended income			
Opening balance		1,598,778	1,710,508
Reversal during the period / year		(76,044)	(221,600)
Suspension made during the period / year		-	109,870
Closing balance		<u>1,522,734</u>	<u>1,598,778</u>
8.2.2	The doubtful murabaha finances include receivables from 5 (June 30, 2024: 6) 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 2 (June 30, 2024: 2) cases for recovery of Rs. 54.002 million (June 30, 2024: Rs. 54.002 million).		
		(Un-audited) December 31 2024	(Audited) June 30 2024
8.3 Provision for doubtful long term murabaha finances	Note	-----Rupees-----	
Opening balance		6,674,996	5,511,015
Provision for the period / year		-	1,430,395
Reversal for the period / year		(71,473)	(266,414)
Closing balance		<u>6,603,523</u>	<u>6,674,996</u>
9 MUSHARAKAH FINANCES - SECURED			
Considered good			
Provision for Musharakah finances		10,892,192	13,716,817
Closing balance	9.1	<u>-</u>	<u>(321,061)</u>
		<u>10,892,192</u>	<u>13,395,756</u>
9.1 Provision for Musharakah finances			
Opening balance			
(Reversal) / provision for the period / year		321,061	820,474
Closing balance		<u>(321,061)</u>	<u>(499,413)</u>
		<u>-</u>	<u>321,061</u>
10 DIMINISHING MUSHARAKAH FINANCING - SECURED			
Considered good		206,415,098	178,400,012
Current / overdue portion		(62,447,347)	(45,244,359)
Provision for Diminishing Musharakah finances		<u>(4,462,962)</u>	<u>(3,734,822)</u>
Closing balance		<u>139,504,789</u>	<u>129,420,831</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
11 FIXED ASSETS GIVEN ON LEASE/IJARAH - TANGIBLE	Note	-----Rupees-----	
Operating fixed assets given on lease (ijarah) - tangible	11.1	42,702,293	74,450,750
11.1 Operating fixed assets given on lease (ijarah) - tangible			
Opening written down value		74,450,750	123,427,562
Additions during the period / year		-	1,100,000
Disposals during the period / year		(22,373,713)	(15,870,113)
		52,077,037	108,657,449
Depreciation charge for the period / year		(9,374,744)	(34,206,699)
		42,702,293	74,450,750
12 FIXED ASSETS IN OWN USE			
Fixed assets in own use	12.1	13,849,941	13,979,664
Right of use assets	12.2	11,990,253	8,968,532
		25,840,194	22,948,196
12.1 Fixed assets in own use			
Opening written down value		13,979,664	14,105,600
Additions during the period / year	12.1.1	569,778	1,096,652
Disposals during the period / year	12.1.2	(216,000)	(136,792)
		14,333,442	15,065,460
Depreciation charge for the period / year	12.1.3	(483,501)	(1,085,796)
		13,849,941	13,979,664
12.1.1 Additions during the period / year			
Office equipment		569,778	591,652
Furniture and fixtures		-	23,000
Electrical equipment		-	482,000
		569,778	1,096,652
12.1.2 Disposal during the period / year			
Vehicle		216,000	136,792
Book Value		216,000	136,792
12.1.3 Book value at the end of period / year			
Land	12.1.4	10,728,400	10,728,400
Furniture and fixtures		470,277	512,482
Office equipment		1,128,734	744,922
Vehicles		636,701	1,004,417
Electrical equipment		885,829	989,443
		13,849,941	13,979,664

12.1.4 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 21st February, 2025 for further processing of the case.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
12.2 Right of use assets	Note	-----Rupees-----	
Opening balance		8,968,532	2,240,663
Additions during the period / year		4,901,200	8,584,347
		<u>13,869,732</u>	<u>10,825,010</u>
Depreciation charge for the period / year		<u>(1,879,479)</u>	<u>(1,856,478)</u>
Closing balance		<u>11,990,253</u>	<u>8,968,532</u>
Lease term		<u>1-5 years</u>	<u>1-5 years</u>
Depreciation rate		<u>20%</u>	<u>20%</u>

12.2.1 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.

12.2.2 All assets are geographically located in Pakistan.

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
13 INTANGIBLE ASSET		-----Rupees-----	
Cost			
Balance at beginning of the period / year		2,272,000	1,250,000
Additions during the period / year		-	1,022,000
Closing balance		<u>2,272,000</u>	<u>2,272,000</u>
Accumulated amortisation			
Balance at beginning of the period / year		1,323,060	1,094,448
Charged during the period / year		203,664	228,612
Closing balance		<u>1,526,724</u>	<u>1,323,060</u>
Written down value		<u>745,276</u>	<u>948,940</u>
Rate %		<u>33%</u>	<u>33%</u>

14 DEFERRED TAXATION

Taxable / (deductible) temporary difference in respect of:

Fixed assets in own use	2,187,819	1,503,744
Right of use assets	3,477,173	2,600,874
Provision for short term Murabaha finances	(5,800)	-
Provision for doubtful Ijarah rental receivables	(365,783)	(368,688)
Provision for doubtful Murabaha finances	(1,915,022)	(1,048,303)
Provision for short term Musharakah finances	-	(93,108)
Provision for Diminishing Musharakah finances	(1,294,259)	(1,083,098)
Provision against receivable -FSD property	(159,210)	(159,210)
Unrealized gain/(loss) on revaluation of financial - assets at fair value through profit or loss	221,567	(437,910)
Unrealized loss on revaluation of financial assets at - fair value through other comprehensive income	-	(250,221)
Lease liabilities against right of use assets	<u>(3,057,911)</u>	<u>(2,303,199)</u>
	<u>(911,426)</u>	<u>(1,639,119)</u>

15 UNCLAIMED PROFIT DISTRIBUTIONS

Management has maintained funds of Rs. 3,786,631 (June 30, 2024: Rs. 5,003,881) as disclosed in note 3, against unclaimed profit distribution of Rs. 13,769,269 (June 30, 2024: Rs. 12,828,131) resulting in shortage of funds of Rs. 9,979,638 (June 30, 2024: Rs. 7,824,250). 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 Trust Modaraba in 2009 till date.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

16	CREDITORS, ACCRUED AND OTHER LIABILITIES	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	Note	-----Rupees-----	
	Payable to Modaraba Management Company (Related party)	1,993,480	2,956,102
	Provision for Workers' Welfare Fund	408,789	582,061
	Accrued expenses	895,928	760,802
	Other liabilities	1,580,275	5,967,867
		<u>4,878,472</u>	<u>10,266,832</u>

17 CHARITY PAYABLE

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.

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 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 20th February, 2025 for further processing of the case.

18.1.2 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.

18.1.3 The Deputy commissioner Inland Revenue (DCIR) has issued order dated August 31, 2021 by creating demand under sub-section 122 (1) of the Income Tax Ordinance, 2001 for Rs 5,776,892. The Modaraba had filed appeal against said order before Commissioner Inland Revenue - Appeals (CIRA), who vide order dated 24-Jan-2022 remanded the case with directions to pass a speaking order by going through the relevant record. Opportunities of hearing were provided. During the year, DCIR passed the order dated June 24, 2024 by creating a demand of Rs. 5,776,892 and taxpayer being aggrieved by the order of DCIR filed appeal before CIRA, which is pending for adjudication. The management, in consultation with its tax advisor, has determined that favorable outcome is expected.

18.1.4 The Deputy commissioner Inland Revenue (DCIR) issued notices dated August 18, 2023 by confronting amount of Rs. 143,347 and Rs. 732,850 against tax years 2020 and 2021 respectively under sub-section 221(2) of the Income Tax Ordinance, 2001. These demands pertain to the adjustment of refunds against the admitted tax liabilities. The Modaraba has submitted a detailed response to the DCIR, accompanied by comprehensive documentary evidence. Decision is pending but the management, in consultation with its tax advisor, has determined that favorable outcome is expected.

18.1.5 On December 06, 2022, Sindh Revenue Board (SRB) issued a notice under Section 73 of the Stamps Act, 1899 to several modaraba companies for inspection of the records regarding stamp duty applicability. The Modaraba responded on December 22, 2022 that the Modaraba is a non-banking financial institution and Stamps act, 1899 is not applicable. However without prejudice to the rights and remedies and only as a matter of cooperation, the management partially complied.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2024

On December 12, 2023 the Modaraba received a demand from Sindh Revenue Board (SRB) against stamp duty of Rs. 280,509 and Rs. 108,900 applicable on purchase orders and promissory notes respectively, covering the period July 01, 2020 to March 03, 2023. The Modaraba responded on January 08, 2024 that Article 15(b) of the stamps act, 1899 deals with the manufacturing concerns or business which undertake cartage of stores and materials and as such it is not applicable to NBFs and Modarabas involved in Shariah compliant asset financing. The matter is being dealt at the association level.

Regarding the stamp duty on promissory note under Sec 2(22) of Article 28 of the Stamps Act 1899, the management has acknowledged its application and has recognized a provision for the period of July 01, 2022 to June 30, 2024 in Note 16 amounting to Rs. 145,800

18.1.6 The Modaraba had entered into the following financing agreements with different parties who had subsequently defaulted:

S. No.	Financing	Outstanding amount	Parties under litigation	Parties for decree awarded	Note No.
1	Ijarah	4,182,713	2	2	7
2	Short term Murabaha	33,800,000	3	3	6
3	Long term Murabaha	36,146,916	5	2	8
		74,129,629			

Legal proceedings were initiated to recover the outstanding amounts and are being pursued. The management, in consultation with its legal advisor, believes that the outcomes will be favorable.

18.2 Diminishing Musharakah / Ijarah commitments

The Modaraba has entered into diminishing musharakah 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 diminishing musharakah payments due under these arrangements at the year end are as follows:

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	-----Rupees-----	
Disbursement to be made	2,300,000	18,118,000

	Half Year Ended December 31,		Quarter Year Ended December 31,	
	2024	2023	2024	2023
19 INCOME FROM IJARAH - NET	Note			
Income from leasing and Ijarah operations	15,367,098	28,166,819	6,591,699	13,845,545
Less: depreciation on fixed assets given on ijarah	(9,374,744)	(18,896,787)	(3,865,044)	(9,003,356)
Less: insurance on ijarah assets	(1,391,892)	(1,788,897)	(743,783)	(889,041)
	4,600,462	7,481,135	1,982,872	3,953,148
20 OTHER INCOME				
Gain on disposal of ijarah assets	1,908,293	-	722,554	-
Gain on disposal of owned fixed assets	2,163,240	-	-	-
Profit on deposit and saving accounts with banks	279,511	216,829	143,892	(18,080)
Processing, documentation charges	258,350	365,200	126,700	209,650
Miscellaneous income	23,259	6,900	17,759	5,743
	4,632,653	588,929	1,010,905	197,313

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

	Note	Half year ended December 31,		Quarter ended December 31,	
		2024	2023	2024	2023
-----Rupees-----					
21 OPERATING EXPENSES					
Salaries, allowances and other benefits		9,875,409	9,008,000	5,022,578	4,551,234
Fees and subscription		1,975,084	1,744,571	1,169,825	834,434
Depreciation on right of use assets	12.2	1,879,479	595,224	980,583	297,612
Unwinding of lease liabilities		1,335,350	199,042	693,264	93,908
Vehicle running		1,370,585	1,068,169	692,214	557,254
Rent, rates and taxes		1,226,415	355,900	923,850	156,000
Legal and professional charges		150,000	55,000	70,000	15,000
Electricity, gas and water		739,167	723,737	280,332	507,900
Telephone, postage and courier		795,344	583,928	420,477	296,946
Advertisement		110,483	38,435	110,483	38,435
Printing and stationery		469,692	442,285	314,635	187,251
Traveling and conveyance		309,268	369,523	145,237	120,107
Entertainment		471,931	447,816	186,152	255,494
Insurance		88,371	116,560	54,703	58,288
Auditors' remuneration		118,800	84,700	118,800	84,700
Newspaper and periodicals		7,240	7,120	3,830	3,640
Repairs and maintenance		1,122,544	1,431,444	436,138	695,288
Depreciation on own assets	12.1	483,501	528,256	217,955	273,812
Amortization on intangible assets	13	203,664	50,001	101,832	26,667
Bank charges and commission		8,367	8,167	5,952	6,357
Sales tax		37,638	48,671	11,044	23,548
Office supply		91,320	-	91,320	-
Miscellaneous		381,101	308,296	327,796	97,366
		23,250,753	18,214,845	12,379,000	9,181,241

22 EARNINGS PER CERTIFICATE - BASIC AND DILUTED

Profit for the period	Rupees	15,246,878	13,555,191	8,953,341	9,789,519
Weighted average number of certificates	Number	29,800,000	29,800,000	29,800,000	29,800,000
Earnings per certificate	Rupees	0.51	0.45	0.30	0.33

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

23 CASH GENERATED FROM OPERATIONS

		December 31,	
		2024	2023
		(Un-audited)	(Un-audited)
		------(Rupees)-----	
Profit before taxation	Note	17,582,494	16,263,330
Adjustments for non-cash and other items:			
- Depreciation:			
Under ijarah	21	9,374,744	18,896,787
In own use	12.1	483,501	528,256
Right of use assets	12.2	1,879,479	595,224
- Amortization on intangible assets	13	203,664	50,001
- Provision for doubtful receivables		325,589	1,381,730
- Gain on disposal of ijarah assets		(1,908,293)	-
- Gain on disposal own assets		(959,000)	-
- (Gain) on sale of long term investment		(797,752)	-
- (Gain) /loss on sale of short term investment		(3,210,301)	6,447,588
- Unrealized (gain) on revaluation of held for trading investment		(3,391,483)	(14,328,770)
- Unwinding of lease liabilities		1,335,350	199,042
- Workers' Welfare Fund		(358,826)	(331,905)
- Dividend income		(429,000)	(536,904)
		2,547,672	12,901,049
Operating profit before working capital changes		20,130,166	29,164,379
Decrease / (increase) in current assets			
- Advances, deposits, prepayments and other receivables		(2,680,150)	(3,018,818)
- Short term murabaha finances		20,000	1,956,598
- Short term musharakah finances		2,503,564	1,901,122
- Ijarah rental receivables		563,067	(1,196,642)
Increase / (decrease) in current liabilities			
- Charity payable		43,352	266,259
- Creditors, accrued and other liabilities		(5,747,186)	1,706,075
		(5,297,353)	1,614,594
Cash generated from operations		14,832,813	30,778,973

24 TRANSACTIONS WITH RELATED PARTIES

			Half year ended December 31		Quarter ended December 31	
			2024	2023	2024	2023
			-----Rupees-----			
Transactions during the period						
Related party	Relationship	Nature of transaction				
Al-Zamin Modaraba Management (Private)	Modaraba Management Company	Management fee and others	1,993,480	1,843,915	1,138,712	1,242,581
		Office rent	1,200,000	624,000	576,000	-
		Electric bill back-charged	312,465	129,113	312,465	-
Employees' Provident Fund	Associated undertaking	Contribution for the period	487,165	492,414	243,612	147,407
Executives	Associated person	Loan given during the period	200,000	150,000	200,000	150,000
	persons	Repayment of loan received	76,000	50,000	51,000	12,500
Executives	Associated undertaking person	Key management Remuneration	4,893,648	4,803,847	2,446,824	2,401,924
Executives	Associated undertaking person	Gain on disposal	2,163,240	-	-	-
					(Un-audited) December 31, 2024	(Audited) June 30, 2024
Outstanding Balance as at the period end			-----Rupees-----			
Related party	Relationship	Nature of transaction				
Al-Zamin Modaraba Management (Private)	Modaraba Management Company	Payable against management fee and others			1,993,480	2,956,102
		Payable to Management Company as			400,000	-
Executives	Associated person	Loan receivables advance			334,000	210,000

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2024

25 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 | Sale of goods under murabaha arrangement |
| - Ijarah finances | Giving right to the benefit of using an asset for a consideration |
| - Musharakah finances | Joint enterprise formed for conducting some business |
| - Investments | Investments made in equity instruments of other companies and other investments |
| - Trading of stock | 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)

25.1 Segment analysis

The segment information for the reportable segments for the half year ended December 31, 2024 is as follows:

	December 31, 2024		December 31, 2023		Total	Mumbaha Finances	Ijarah Finances	Musharakah Finances	Investments	Total
	Murabaha Finances	Ijarah Finances	Musharakah Finances	Total						
Gross revenue from external customers	1,712,425	14,948,899	27,794,612	3,639,301	48,095,237	2,542,752	27,854,291	20,580,732	(5,910,684)	45,067,091
Depreciation	-	(9,374,744)	-	-	(9,374,744)	-	(18,896,787)	-	-	(18,896,787)
Insurance expense	-	(1,391,892)	(2,946,245)	-	(4,338,137)	-	(1,788,897)	(1,783,173)	-	(3,572,070)
Other income	394,499	418,199	291,952	-	1,104,650	-	312,528	207,264	-	519,792
Net revenue	2,106,924	4,600,462	25,140,319	3,639,301	35,487,006	2,542,752	7,481,135	19,004,823	(5,910,684)	23,118,026
Unrealized Profit / (loss) on revaluation of investments	-	-	-	3,391,483	3,391,483	-	-	-	14,328,770	14,328,770
(Provision)/ Reversal for doubtful receivables	-	-	-	-	-	-	-	-	-	-
Reportable segment profit	2,106,924	4,600,462	25,140,319	7,030,784	38,878,489	2,542,752	7,481,135	19,004,823	8,418,086	37,446,796
Reportable segment assets	72,537,595	46,492,852	218,475,415	18,493,650	355,999,512	71,693,875	108,333,802	157,451,081	17,230,460	360,709,218
Reportable segment liabilities	2,249,187	21,728,888	-	-	23,978,075	1,506,771	44,971,780	-	-	46,478,551
Additions to non-current assets	-	-	-	-	-	-	1,100,000	-	-	1,100,000

Rupees
(Un-audited)

Segment revenues / profits

Gross revenue from external customers
Depreciation
Insurance expense
Other income

Net revenue

Unrealized Profit / (loss) on revaluation of investments
(Provision)/ Reversal for doubtful receivables

Reportable segment profit

Reportable segment assets

Reportable segment liabilities

Additions to non-current assets

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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

	(Un-audited) December 31, 2024	(Un-audited) December 31, 2023
Revenues	-----Rupees-----	
Total revenues for reportable segments	35,487,006	23,118,026
Other revenues	4,632,653	588,929
Modaraba's revenues	<u>40,119,659</u>	<u>23,706,955</u>
Profit		
Total profit for reportable segments	38,878,489	37,446,796
Other income	4,632,653	588,929
Provision for doubtful receivables	(325,589)	(1,381,730)
Operating expenses	(23,250,753)	(18,214,845)
Modaraba Management Company's fee	(1,993,480)	(1,843,915)
Workers' Welfare Fund	(358,826)	(331,905)
Taxation	(2,335,616)	(2,708,139)
	<u>15,246,878</u>	<u>13,555,191</u>
	(Un-audited) December 31, 2024	(Audited) June 30, 2024
Assets	-----Rupees-----	
Total assets for reportable segments	355,999,512	371,257,861
Corporate assets unallocated:		
Advances, prepayments and other receivables	5,523,517	2,881,517
Income tax refundable	5,113,673	3,997,069
Deferred taxation - net	911,426	1,639,122
Deposits	294,662	294,662
Asset classified as held for sale	-	-
Fixed assets in own use	25,840,194	22,948,196
Intangible asset	745,276	948,940
Cash and bank balances	5,693,344	10,384,061
	<u>44,122,092</u>	<u>43,093,567</u>
Total assets as per the balance sheet	<u>400,121,604</u>	<u>414,351,428</u>
Liabilities		
Total liabilities for reportable segments	23,978,075	39,179,388
Corporate liabilities unallocated:		
Unclaimed profit distributions	13,769,269	12,828,131
Creditors, accrued and other liabilities	4,878,472	10,266,832
Charity payable	312,884	269,532
Lease liabilities against right of use assets	10,544,521	7,942,065
Total liabilities as per the balance sheet	<u>53,483,221</u>	<u>70,485,948</u>

- 25.2 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.
- 25.3 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.
- 25.4 There are no changes from prior years in the measurement methods used to determine reported segment profit or loss.
- 25.5 There are no asymmetrical allocations to reportable segments.
- 25.6 All non-current assets of the Modaraba are located in Pakistan as at the reporting date.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2024

26 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:

December 31, 2024 (Un-audited)	Level 1	Level 2	Level 3	Total
Assets				
Investment	18,493,650	-	-	18,493,650
	<u>18,493,650</u>	<u>-</u>	<u>-</u>	<u>18,493,650</u>
June 30, 2024 (Audited):	Level 1	Level 2	Level 3	Total
Assets				
Short term investment	20,970,987	-	-	20,970,987
Long term investment	2,284,801	-	-	2,284,801
	<u>23,255,788</u>	<u>-</u>	<u>-</u>	<u>23,255,788</u>

During the half year ended December 31, 2024, 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.

27 SUBSEQUENT EVENT

No such event or transaction has occurred subsequent to the balance sheet date, which may require adjustment and/or disclosure in the condensed interim financial information.

28 AUTHORIZATION OF FINANCIAL STATEMENTS

These condensed interim financial information are approved and authorized for issuance by the Board of Directors of the Management Company in its meeting held on 27th February, 2025.

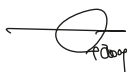
For Al-Zamin Modaraba Management (Private) Limited (Modaraba Management Company)



CHIEF EXECUTIVE



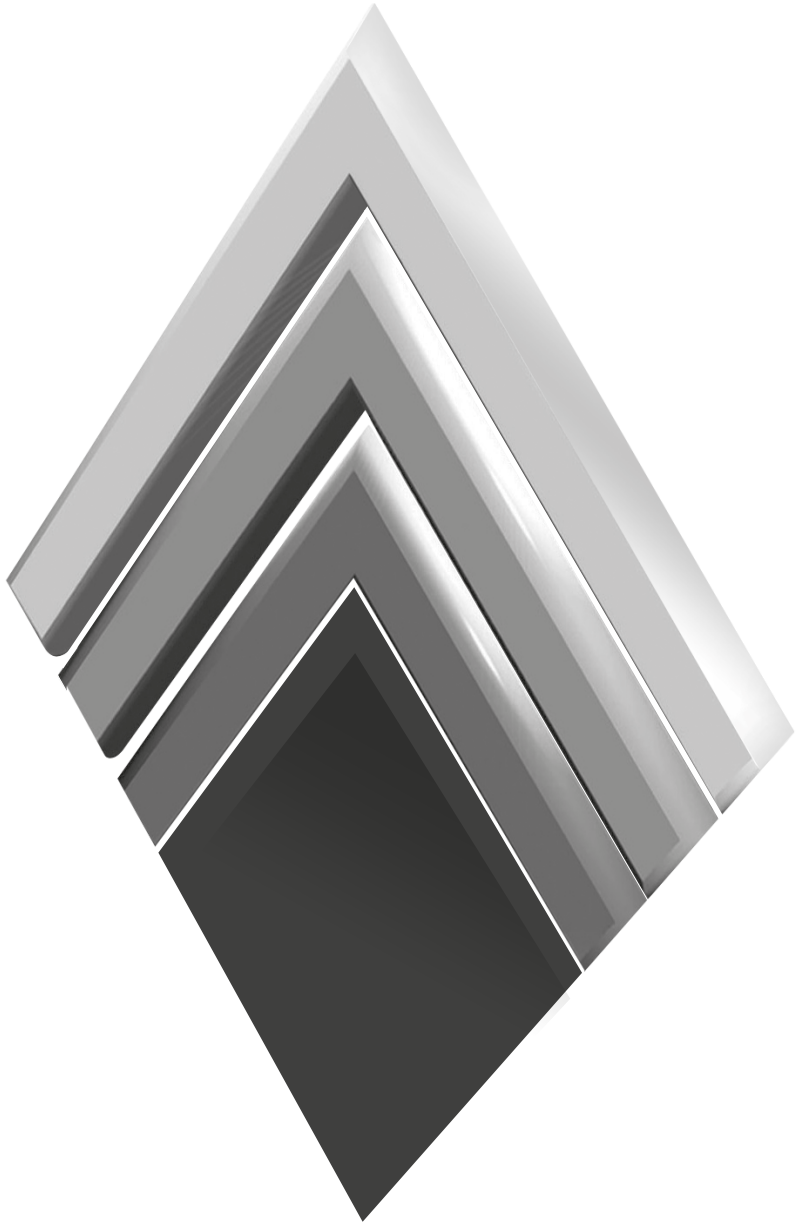
DIRECTOR

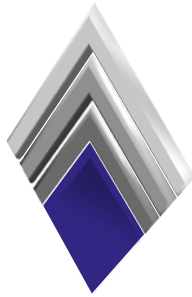


DIRECTOR



CHIEF FINANCIAL OFFICER





KARACHI

Principal Place of Business:

104-106, Kassam Court, BC-9,
Block-5, Clifton, Karachi-75600, Pakistan.

Tel: +92 (021) 35876651, 35876652, 35873373,
+92 (021) 35873369, 35867102

Fax: +92 (021) 3587 0408

E-mail: info@trustmodaraba.com

LAHORE

320, 3rd Floor, Garden Heights,
8-Aibak Block, New Garden Town,
Lahore, Pakistan.

Tel: +92 (042) 3594 1957
+92 (042) 3594 1958

Fax: +92 (042) 3586 6513