

Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (Private) Limited.

QUARTERLY **REPORT**

31st MARCH, 2023

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CORPORATE INFORMATION

MODARABA COMPANY

AI-Zamin Modaraba Management (Private) Limited

BOARD OF DIRECTORS

Mr. Mian Sheikh Arshad Farooq	Chairman
Mr. Basheer Ahmed Chowdry	Chief Executive
Mr. Syed Shahnawaz Ahmed Rizvi	Director
Mr. Syed Etrat Hussain Rizvi	Director
Mr. Mohammad Yasin	Director
Mr. Sohail Ansar	Director
Dr. Mrs. 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
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 present to the certificate holders, the unaudited financial statements of Trust Modaraba for the quarter ended 31st March, 2023

ECONOMIC REVIEW

Pakistan's economy is under severe stress with low foreign reserves, depreciating currency and high inflation. Economic activity has fallen with policy tightening, flood impacts, high borrowing and fuel costs, low confidence and protracted policy and political uncertainty. Economic experts estimate GDP growth to slow and remain below the potential in the medium term on account of factors stated above. The government faces a difficult policy challenge in maintaining progress towards macro economic stabilization. The future economic outlook is dependent upon timely and full implementation of policy reforms. Implementing the macro stabilization measures and structural reforms underpinned by the IMF-EFF program is necessary for unlocking much needed external refinancing and new disbursements from regional partners. Maintaining stability and sustained recovery will require the development and effective implementation of a bold reform strategy including sound fiscal-monetary policies, increased revenue mobilization, structural reforms to improve investment, competitiveness and productivity.

PERFORMANCE

It is encouraging that in spite of very depressing market conditions and economic situation of the country, Trust Modaraba continues to find secured and profitable business mostly for asset financing in the form of Diminishing Musharaka thereby fully utilizing its cash flows. Consequently, the performance of your Modaraba in terms of revenue generation from core business activities during the period (July-March, 2023) under review remained steady as the aggregate gross revenue from principal operating segments registered increase of 17% over the previous corresponding period. Your Modaraba achieved gross revenue of Rs.30 million during first three quarters of the current financial year as compared to Rs.69.84 million of the previous comparable period which included on time gain of Rs.44 million mainly from settlement of long overdue case in litigation. One aspect which has been beyond our control is our stock market portfolio which has generally suffered due to absence of any positive market indicators. The Stock Exchange Index has lost almost four thousand points during the period thereby increasing unrealized loss on the equity portfolio of your Modaraba. However, deliberate efforts of your management have reduced the total cost of the portfolio over the period which was invested in secured and profitable financing products. A turn around in the market following the finalization of nearly concluded IMF negotiations is keenly awaited when your management intends to achieve further reductions in the equity portfolio. Due to depreciation in the market value of stocks, unrealized loss of Rs.1.71 for the quarter under review was recorded in the books of accounts. Your management exercised strict control on the expenses and despite phenomenal increase in costs, operating expenses registered marginal increase of 2.4% over the corresponding period of the previous year. After accounting for all the expenses and unrealized loss on equity portfolio, your Modaraba recorded before tax loss of Rs.3.30 million for the period under review.

Fresh disbursements of Rs.100 million were made during the period mostly for asset financing to a mix of clients having sound financial standing and repayment capacity. In view of prevailing market position, your management is maintaining very close monitoring of the existing and potential clients due to which no fresh NPL has been added to our previous litigation portfolio. We shall continue exercising extreme caution against any possible delays or defaults of our clients.

Asset base of your Modaraba stood at Rs.387 million as at 31st March, 2023 with an equity of Rs.316 million after incorporating unrealized loss on revaluation of investments of Rs.6.0 million.

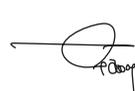
Whilst various plans are in offing to increase the resource base of your Modaraba, recovery from the litigated portfolio has always remained a focused area of the Management for which every effort is being made to expedite matters to final conclusion.

EARNING PER CERTIFICATE

Earning per certificate of your Modaraba works out to Rs. (0.15) for the period ended 31st March, 2023.

Your management is making all out efforts to achieve further growth in the operations of the Modaraba for the benefit of all the stakeholders

For and on behalf of Trust Modaraba



DIRECTOR



CHIEF EXECUTIVE

26th April, 2023.

ڈائریکٹر کی رپورٹ

الضامن مضاربہ پنشنمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز (بورڈ کے ناظمین)، جو ٹرسٹ مضاربہ کی پنشنمنٹ کمپنی ہے، کی جانب سے 31 مارچ 2023 پر اختتام پذیر سہ ماہی پر مضاربہ کی ڈائریکٹرز کی رپورٹ جمع غیر محتجب شدہ مالیاتی دستاویزات اپنے سرٹیفکیٹ کنندگان کو پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

غیر ملکی زرمبادلہ کے کم ذخائر، کرنسی کی حقیقی ہوئی قدر اور بلند ہو گئی ہے، پاکستان کی معیشت شدید باؤ کا شکار ہے۔ مالیاتی سختی، سیلاب کی اثرات، زیادہ ادھارا اور ایندھن کی لاگتیں، طویل پالیسی اور سیاسی غیر یقینی کی وجہ سے معاشی سرگرمی کم ہو چکی ہے۔ معاشی ماہرین کا اندازہ ہے کہ، مذکورہ بالا بیان کردہ عوامل کی بنیاد پر، مجموعی قومی پیداوار کی نمودر مہائی مدت کی استعداد سے دست اور کم رہے گی۔ حکومت کو کئی معیشت (macroeconomic) کے استحکام کی سمت میں ترقی کو برقرار رکھنے میں مشکل پالیسی کے مسائل کا سامنا ہے۔ مستقبل کے معاشی منظر نامہ کا انحصار، پالیسی کی اصلاحات کا بروقت اور مکمل نفاذ پر ہے۔ زیادہ استحکام کے لیے IMF-EFF پروگرام میں نشاندہی کردہ اقدامات اور ڈھانچائی اصلاحات کا نفاذ ضروری ہے تاکہ بیرونی دوبارہ قرضہ کی فراہمی اور علاقائی شراکت داروں سے نئی ادائیگیوں ہو سکیں۔ استحکام اور تسلسل سے بحالی کے لیے ارتقاء اور بلا خوف اصلاحات کی حکمت عملی بشمول مضبوط اقتصادی مالیاتی پالیسیوں، مالکداری کو متحرک کرنے میں تیزی ڈھانچائی اصلاحات کا موثر نفاذ ضروری ہے تاکہ سرمایہ کاری، مسابقت اور شراوری (productivity) میں بہتری آئے۔

کارکردگی کا جائزہ

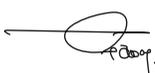
ملک میں بہت زیادہ مایوس کن منڈی کے حالات معاشی صورتحال کے باوجود، یہ بات حوصلہ افزا ہے کہ ٹرسٹ مضاربہ نے محفوظ اور منافع بخش کاروبار کی تلاش جاری رکھی جس میں زیادہ تر گھٹتا ہو ا مشارکہ کی مدد میں، سیٹ فنانسنگ میں کیا اور اس طرح سے اپنے کیش فلوز (cash flows) کو مکمل طور پر استعمال کیا۔ اس کے نتیجے میں، آپ کے مضاربہ کی کارکردگی، زیر غور مدت کے دوران (جولائی - مارچ 2023) اپنے بنیادی کاروبار سے مالکداری کا حصول متوازن رہا جو مرکزی آپریٹنگ سیگمنٹ سے حاصل جمع شدہ مجموعی مالکداری میں گزشتہ سال اسی مدت کے مقابلے میں 17 فیصد زیادہ رہا۔ آپ کے مضاربہ نے موجودہ مالیاتی سال کی پہلی تین سہ ماہیوں میں 30 ملین روپے کی مجموعی مالکداری حاصل کی، جبکہ گزشتہ سال اسی مدت کے دوران اس کی مالیت 69.84 ملین روپے تھی جس میں 44 ملین روپے بھی شامل ہیں جو دیرینہ مقدمہ بازی میں پھنسے ہوئے کیسز کے تصفیے سے حاصل ہوئی تھیں۔ ایک پہلو جو ہمارے اختیار سے باہر بادہ ہماری حصص منڈی کے پورٹ فولیو جس میں مثبت مارکیٹ اشاروں کی عدم موجودگی تھی۔ زیر غور مدت مدت میں اسٹاک مارکیٹ انڈیکس میں تقریباً 4000 پوائنٹس کمی ہوئی ہے جس کی وجہ سے آپ کے مضاربہ کے منگلیت سرمایہ کے پورٹ فولیو میں غیر حقیقی (unrealized) نقصان میں اضافہ ہوا ہے۔ تاہم، آپ کی انتظامیہ کی غور و فکر کی کوششوں سے، زیر غور مدت میں جو محفوظ اور منافع بخش فنانسنگ پروڈکٹس میں کی جانے والی سرمایہ کاری کی کل لاگت کم کر چکا ہے۔ IMF سے مذاکرات جو تقریباً مکمل ہو چکے ہیں اس کے بعد مارکیٹ کی صورتحال میں تبدیلی کا دل چسپی سے انتظار ہے اس کے بعد آپ کی انتظامیہ کا ارادہ ہے کہ منگلیت سرمایہ پورٹ فولیو میں کمی کرے۔ حصص کی منڈی میں قدر میں کمی کے سبب زیر غور سہ ماہی میں حساب کتاب کے کھاتوں 1.71 روپے کا غیر حقیقی نقصان کا اندراج کیا گیا۔ لاگوں میں غیر معمولی اضافے کے باوجود، آپ کی انتظامیہ نے اخراجات پر سخت کنٹرول رکھا جس کے سبب آپریٹنگ اخراجات میں گزشتہ سال کی اسی مدت کے دوران کے مقابلے میں 2.4 فیصد کا معمولی اضافہ ہوا۔ زیر غور مدت کے دوران، منگلیت سرمایہ پورٹ فولیو پر تمام اخراجات اور غیر حقیقی نقصان کا اندراج کرنے کے بعد آپ کے مضاربہ نے 3.30 ملین روپے کے نقصان کا اندراج کیا۔

زیر غور مدت کے دوران، 100 ملین روپے کی نئی ادائیگیاں کی گئیں جو زیادہ مضبوط مالی پوزیشن اور واپس ادائیگی کرنے کی استعداد رکھنے والے منفرق گاہکوں کو جو اسٹاک فنانسنگ کی مدد میں کی گئیں۔ موجودہ مارکیٹ کی صورتحال کے پس منظر میں، آپ کے مضاربہ نے اپنے موجودہ اور امکانی گاہکوں کی سختی سے نگرانی کر رہی ہے جس کی وجہ سے کوئی نیا غیر فعال قرضہ ہمارے مقدمے کے ڈکار پورٹ فولیو میں شامل نہیں ہوا ہے۔ ہم اپنے گاہکوں کی جانب سے ممکنہ تاخیر یا ناپائیداری سے بچاؤ کے لیے انتہائی احتیاطاً مکمل جاری رکھیں گے۔ 31 مارچ 2023 پر آپ کے مضاربہ کی اثاثہ جات کی بنیاد 387 ملین روپے رہی اس کے ساتھ 6 ملین روپے کی سرمایہ کاری کی دور بارہ قدر پذیر کی کے بعد غیر حقیقی نقصان کو شامل کرنے کے بعد منگلیت سرمایہ کی مالیت 316 ملین روپے رہی۔ اسی دوران، آپ کے مضاربہ کے ذرائع میں اضافے کے لیے متعدد منصوبے زیر غور ہیں، جن میں مقدمے کا شکار پورٹ فولیو سے وصولیابی انتظامیہ کی اولین ترجیح رہی ہے جس کے لیے ہر ممکن کوشش کی جارہی ہے کہ ان معاملات کا تیزی سے فیصلہ ہو۔

آمدنی سرٹیفکیٹ

31 مارچ 2023 پر اختتام پذیر مدت پر آمدنی فی سرٹیفکیٹ (0.15) روپے فی سرٹیفکیٹ رہی۔ آپ کی انتظامیہ، مضاربہ کے آپریشن کے ذریعے سے، تمام شرکاء مفاد کے فائدے کے لیے نمو میں اضافے کے لیے پرعزم ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے


ڈائریکٹر


چیف ایگزیکٹو آفیسر

کراچی،
26 اپریل 2023

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2023

(Un-audited) (Audited)
March 31, 2023 June 30, 2022

ASSETS	Note	-----Rupees-----	
Current assets			
Cash and bank balances		9,359,769	7,690,515
Short term investments	4	23,919,716	32,908,149
Advances, deposits, prepayments and other receivables	5	9,287,086	28,291,113
Short term murabaha finances	6	33,868,608	30,990,535
Ijarah rental receivables	7	4,118,673	4,048,929
Current portion of long term murabaha finances	8	64,962,524	79,992,821
Short term musharakah finances (secured - considered good)	9	8,126,499	23,689,845
Current portion of long term diminishing musharakah finances	10	13,753,446	1,704,637
Income tax refundable		2,490,222	3,072,891
		169,886,543	212,389,435
Assets classified as held for sale		8,625,000	8,625,000
Total current assets		178,511,543	221,014,435
Non-current assets			
Murabaha finances	8	1,759,073	19,195,330
Diminishing musharakah finances	10	44,717,400	2,773,749
Deferred taxation		1,160,917	1,160,917
Deposits		602,962	1,106,562
Long term investments	11	6,673,385	7,281,478
Fixed assets	12	153,744,145	163,055,963
Total non-current assets		208,657,882	194,573,999
Total assets		387,169,425	415,588,434
LIABILITIES			
Current liabilities			
Unclaimed profit distributions		12,831,607	12,834,792
Creditors, accrued and other liabilities	13	620,824	11,361,125
Current portion of deferred income on murabaha		3,085,369	6,698,560
Current portion of customers' security deposits		6,292,145	8,810,600
Current portion of lease liabilities against right of use assets		1,158,012	430,555
Due to director		-	5,000,000
Total current liabilities		23,987,957	45,135,632
Non-current liabilities			
Deferred income on murabaha		1,523,411	2,366,206
Customers' security deposits		43,854,468	45,071,713
Lease liabilities against right of use assets		1,643,633	1,964,011
Total non-current liabilities		47,021,512	49,401,930
Total liabilities		71,009,469	94,537,562
NET ASSETS		316,159,956	321,050,872
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital		298,000,000	298,000,000
Reserves		24,195,102	28,579,554
Total equity		322,195,102	326,579,554
Unrealized loss on revaluation of investments	14	(6,035,146)	(5,528,682)
		316,159,956	321,050,872
Contingencies and commitments	15		

The annexed notes from 1 to 24 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Note	Nine Months ended March 31,		Quarter Year Ended March 31,	
		2023	2022	2023	2022
-----Rupees-----					
Income from ijarah	16	13,077,146	11,683,868	3,750,171	2,861,959
Profit on murabaha finances		5,653,210	8,314,571	1,138,790	2,645,366
Profit on musharakah/diminishing musharakah finances		8,987,584	4,866,315	3,297,401	1,457,753
Income/(loss) from investments - net	17	342,978	553,028	(460,763)	5,273
Other income	18	1,973,873	44,426,107	627,615	955,977
		30,034,791	69,843,889	8,353,214	7,926,328
(Provision)/reversal for doubtful receivables		(747,114)	(10,010,482)	-	-
Bad debts written off		-	(1,072,849)	-	-
Unrealized loss on revaluation of held-for-trading investments		(3,870,915)	(11,912,987)	(1,705,560)	(2,006,754)
		25,416,762	46,847,571	6,647,654	5,919,574
Operating expenses	19	(28,715,314)	(28,047,010)	(8,951,525)	(8,122,539)
		(3,298,552)	18,800,561	(2,303,871)	(2,202,965)
Modaraba management company's fee		-	(1,880,056)	-	220,297
Sindh worker welfare fund		-	(338,410)	-	39,653
(Loss)/profit before taxation		(3,298,552)	16,582,095	(2,303,871)	(1,943,015)
Taxation		(1,085,900)	(3,905,631)	(266,402)	(26,215)
Net (loss)/profit for the period		(4,384,452)	12,676,464	(2,570,273)	(1,969,230)
Earnings per certificate - basic and diluted	20	(0.15)	0.43	(0.09)	(0.07)

The annexed notes from 1 to 24 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Note	Nine Months ended March 31,		Quarter Year Ended March 31,	
		2023	2022	2023	2022
Net (loss)/profit for the period		(4,384,452)	12,676,464	(2,570,273)	(1,969,230)
Other comprehensive (loss)/income:					
- Net change in fair value of investments classified at fair value through other comprehensive income- net of tax	14.1	(506,464)	(3,251,256)	1,663	(667,186)
Deferred tax		-	1,540,624	-	-
Other comprehensive (loss)/income for the period		(506,464)	(1,710,632)	1,663	(667,186)
Total comprehensive (loss)/income for the period		(4,890,916)	10,965,832	(2,568,610)	(2,636,416)

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

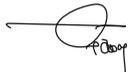
For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

March 31,

2023 2022

CASH FLOWS FROM OPERATING ACTIVITIES	Note	-----Rupees-----	
Cash generated from operations			
Cash generated from operations	21	53,707,192	64,812,679
<i>Decrease / (increase) in non-current assets:</i>			
- Long term murabaha finances		32,466,554	(12,857,279)
- Long term musharakah finances		(54,839,326)	893,033
<i>Increase / (decrease) in non-current liabilities:</i>			
- Deferred income on murabaha		(4,455,986)	3,178,970
- Receipts of customers security deposits		6,614,900	21,012,553
Purchase of ijarah assets		(31,773,000)	(87,737,932)
Proceeds from disposal of ijarah assets		1,945,113	15,768,415
Income tax paid/deducted		(503,231)	(420,974)
Net cash generated from operating activities		3,162,216	4,649,465
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of owned assets		(1,888,472)	(875,650)
Purchase of intangible assets		(200,000)	-
Proceeds from disposal of owned assets		602,500	313,313
Proceeds from disposal of investment properties		-	9,510,000
(Purchase) / sale of investments - net		3,634,059	(17,617,254)
Long term deposits received		503,600	-
Dividends received		2,024,933	1,656,750
Net cash generated from/(used in) investing activities		4,676,620	(7,012,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment made against lease liability		(1,166,397)	(497,480)
Profit distributed to certificate holders		(3,185)	(54,928)
Loan repaid to Director		(5,000,000)	5,000,000
Net cash used in financing activities		(6,169,582)	4,447,592
Net increase in cash and cash equivalents		1,669,254	2,084,216
Cash and cash equivalents at the beginning of the period		7,690,515	5,394,699
Cash and cash equivalents at the end of the period		9,359,769	7,478,915

The annexed notes from 1 to 24 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

Particulars	Certificate capital	Capital reserves		Revenue reserves		Total reserves	Total equity
		Statutory reserve	Accumulated losses	Accumulated losses	Accumulated losses		
Balance as at June 30, 2021	298,000,000	81,512,797	(63,629,835)	17,882,962		315,882,962	
Profit for the period	-	-	12,676,464	12,676,464		12,676,464	
Other comprehensive income for the period	-	-	-	-		-	
Total comprehensive income for the period	-	-	-	12,676,464		12,676,464	
Balance as at March 31, 2022	298,000,000	81,512,797	(50,953,371)	30,559,426		328,559,426	
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	-	-	(4,384,452)	(4,384,452)		(4,384,452)	
Other comprehensive income for the period	-	-	-	-		-	
Total comprehensive loss for the period	-	-	(4,384,452)	(4,384,452)		(4,384,452)	
Balance as at March 31, 2023	298,000,000	83,785,844	(59,590,742)	24,195,102		322,195,102	

-----Rupees-----

The annexed notes from 1 to 24 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 NINE MONTHS AND QUARTER ENDED MARCH 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 320, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore. The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharakahs, Ijarah, investment in marketable securities, trading and other permissible businesses. The affairs, activities and transactions performed by the modaraba during the period comply with the rules and principles of Islamic Shariah in accordance with the guidelines and directives given by the Shariah advisor, Registrar (Modaraba) and the Securities & Exchange Commission of Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017, Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and 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, 2022. Comparative condensed interim statement of financial position is extracted from annual financial statements as at June 30, 2022 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 nine month period ended March 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.

2.4 Critical accounting estimates and judgments

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

2.5 Functional and presentation currency

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Standards, Amendments And Interpretations to approved accounting standards

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

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

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

New or Revised Standard or Interpretation	Effective date (annual periods beginning on or after)
IAS 16 - Proceeds before intended use	January 1, 2022
IAS 37 - Onerous Contracts- Cost of Fulfilling a contract	January 1, 2022

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
IAS 12 - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 1, 2023
'IAS 1 - 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
'IAS 8 - 'Definition of Accounting Estimates	January 1, 2023
IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2023
IFRS 16 - Lease liability in a sale and leaseback	January 1, 2024
IAS 1 - Non-current liabilities with covenants	January 1, 2024

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective date "(Annual periods beginning on or after)"
IFRS 17 'Insurance Contracts' and amendments to IFRS 17	January 1, 2023

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
4 SHORT TERM INVESTMENTS	Note	-----Rupees-----	
Financial assets at fair value through profit and loss - Held for trading			
NIT Islamic Unit Fund	4.1	413,507	431,563
Shares of listed companies	4.2	23,506,209	32,476,586
		<u>23,919,716</u>	<u>32,908,149</u>

4.1 These represent Rs. 58,158 (2022: 55,901) number of units held as at the reporting date. Average cost of these units as at the reporting date amounts to Rs. 648,133 (2022: Rs. 631,503).

4.2 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	March 31, 2023		June 30, 2022	
31-Mar 2023	30-Jun 2022		Average Cost	Market Value	Average Cost	Market Value
			-----Rupees-----			
	12,500	Attock Refinery Limited	-	-	2,508,071	2,197,250
106,250	90,000	Fauji Cement Company Limited	2,379,274	1,270,750	2,326,055	1,275,300
32,000	22,500	D.G. Khan Cement Company Limited	3,017,682	1,405,120	2,525,849	1,390,275
165,000	90,000	Cenergyico Pk Limited	1,802,198	570,900	1,521,156	480,600
120,000	120,000	Hascol Petroleum Limited	1,622,511	711,600	1,622,511	504,000
33,000	35,000	Pakistan Petroleum Limited	2,724,978	2,110,680	3,324,124	2,362,850
37,500	32,500	Shell Pakistan Limited	6,806,017	2,940,375	6,372,095	3,839,225
45,000	32,000	Sui Southern Gas Company Limited	493,639	433,350	409,163	285,120
5,154	5,154	Dawood Hercules Corporation	686,386	473,189	686,386	477,054
18,000	19,000	Descon Oxychem Limited	546,011	480,060	625,949	298,300
30,000	30,000	Nishat Mills Limited	3,151,994	1,578,600	3,151,994	2,205,300
18,000	14,000	National Refinery Limited	6,479,953	2,668,500	5,582,675	3,535,980
22,500	24,000	Netsol Technologies Limited	2,904,877	1,647,675	3,283,764	2,393,760
11,000	25,000	Oil & Gas Development Company Limited	1,006,829	916,960	2,484,976	1,966,750
45,000	25,000	Pakistan Telecommunication Company Limited	462,248	262,800	338,570	173,750
67,000	52,000	Unity Foods Ltd	2,197,445	890,430	1,953,861	1,043,640
4,000	-	The Searl Pak Limited	215,365	205,920	-	-
5,000	-	Engro Polymer & Chemical Limited	227,886	233,900	-	-
14,300	13,000	Century Paper and Board Mills	1,282,273	674,102	1,282,273	803,400
-	41,500	Allied Rental Modaraba	-	-	935,786	931,675
55,000	-	K-Electric Limited	154,365	113,850	-	-
-	13,000	Avanceon Limited	-	-	1,065,627	1,012,830
8,000	7,000	Pakistan State Oil Company Limited	1,086,401	943,120	1,310,107	1,202,880
7,500	5,000	Frieslandcampins Engro Foods	629,806	427,500	476,850	341,250
5,600	5,200	Lucky Cement Limited	3,291,197	2,253,664	3,252,003	2,387,008
7,500	40,000	Sui Northern Gas Pipelines Limited	315,968	293,164	1,579,606	1,368,389
			<u>43,485,303</u>	<u>23,506,209</u>	<u>48,619,451</u>	<u>32,476,586</u>

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

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
	Note	-----Rupees-----	
Loans to / receivable from employees - considered good		721,000	585,000
Prepayments		3,742,897	2,172,608
Advance against expenses		550,000	250,000
Accrued profit (secured -considered good)		1,636,107	1,098,826
Advances to supplier (considered good)		-	20,420,000
Trade receivables (secured -considered good)	5.1	-	-
Legal suits' charges receivable (secured -considered good)	5.2	2,138,926	1,988,926
Receivable against sale of Faisalabad Property		-	669,000
Sundry receivables (unsecured -considered good)		498,156	1,106,753
		<u>9,287,086</u>	<u>28,291,113</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

		(Un-audited) Mar 31, 2023	(Audited) June 30, 2022
5.1 Trade receivables	Note	-----Rupees-----	
Gross amount		100,000	100,000
Allowance for expected credit losses		(100,000)	(100,000)
		<u>-</u>	<u>-</u>
5.2 Legal suits' charges receivable			
Gross amount		2,605,852	2,455,852
Allowance for expected credit losses		(466,926)	(466,926)
		<u>2,138,926</u>	<u>1,988,926</u>
6 SHORT TERM MURABAHA FINANCES - SECURED			
Considered good		6,100,000	2,721,927
Considered doubtful			
- Regular parties		-	-
- Parties under litigation	6.1	<u>39,179,019</u>	<u>39,679,019</u>
		39,179,019	39,679,019
Provision for doubtful receivables	6.2	<u>(11,410,411)</u>	<u>(11,410,411)</u>
		<u>33,868,608</u>	<u>30,990,535</u>
6.1			
These represent receivables from 4 (2022: 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 (2022: 4) cases for recovery of Rs. 50.277 million (2022: Rs. 50.227 million).			
6.2 Provision for classified receivables:			
Opening balance		11,410,411	8,400,000
Provision during the period		-	3,010,411
Closing balances		<u>11,410,411</u>	<u>11,410,411</u>
7 IJARAH RENTAL RECEIVABLES - SECURED			
Considered good		391,632	319,733
Considered doubtful			
- Parties under litigation		5,155,831	5,155,831
Suspended ijarah income - considered doubtful	7.2	(856,442)	(856,442)
Provision for doubtful ijarah rental receivables	7.3	<u>(572,348)</u>	<u>(570,193)</u>
		<u>4,118,673</u>	<u>4,048,929</u>
7.1			
These are secured against ijarah assets and personal guarantees. In some ijarahs, additional collateral is also obtained in the form of the mortgaged property. The Modaraba is entitled to repossess and sell the ijarah assets in case of default by the customers.			
7.2 Suspended ijarah income - considered doubtful			
Opening balance		856,442	3,537,194
Recovery during the period		-	(2,705,472)
Suspension made during the year		-	24,720
Closing balance		<u>856,442</u>	<u>856,442</u>
7.3 Provision for doubtful ijarah rental receivables:			
Opening balance		570,193	2,958,183
Written off during the period / year		-	(2,958,183)
Impact of IFRS-9 provision during the year		2,155	570,193
Closing balance		<u>572,348</u>	<u>570,193</u>
8 LONG TERM MURABAHA FINANCES - SECURED			
Considered good		33,229,547	69,047,726
Considered doubtful	8.2	39,715,611	36,797,722
Provision for doubtful long term murabaha finances	8.3	<u>(6,223,561)</u>	<u>(6,657,297)</u>
		66,721,597	99,188,151
Less: current portion		<u>(64,962,524)</u>	<u>(79,992,821)</u>
Non-current portion		<u>1,759,073</u>	<u>19,195,330</u>
8.1			
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.			

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

		(Un-audited) Mar 31, 2023	(Audited) June 30, 2022
Break up of considered doubtful Murabaha finances		-----Rupees-----	
8.2	Considered doubtful	41,557,836	38,087,247
	Suspended income	8.2.1 (1,842,225)	(1,289,525)
		8.2.2 39,715,611	36,797,722
8.2.1	Suspended income		
	Opening balance	1,289,525	1,857,818
	Suspension made during the period/year	583,001	-
	Suspension reversed during the period/year	(30,301)	(568,293)
	Closing balance	1,842,225	1,289,525
8.2.2	This includes receivables from 6 (2022: 5) customers under murabaha finance which are under litigation. Legal proceedings against these customers are in process in the Honorable Court of Law. The Court has awarded decree in favour of Modaraba in 3 (2022: 3) cases for recovery of Rs. 60.662 million (2022: Rs. 60.662 million). Amount receivable from one party has been settled through purchase of properties and cash.		
8.3	Provision for doubtful morabaha finances		
	Opening balance	6,657,297	3,060,159
	Provision for the period/year	-	1,787,596
	Impact of IFRS-9 (revesal)/provision	(433,736)	1,809,542
	Closing balance	6,223,561	6,657,297
9	SHORT TERM MUSHARAKAH FINANCES - SECURED		
	Considered good	8,602,075	24,385,893
	Provision for short term Musharakah finances	9.1 (475,576)	(696,048)
		8,126,499	23,689,845
9.1	Provision for short term Musharakah finances		
	Opening balance	696,048	-
	Impact of IFRS-9 (revesal)/provision during the year	(220,472)	696,048
	Closing balance	475,576	696,048
10	DIMINISHING MUSHARAKAH FINANCING		
	Considered good	59,371,073	4,528,444
	Current/overdue portion grouped under current assets	(13,753,446)	(1,704,637)
	Provision for Diminishing Musharakah finances	10.1 (900,225)	(50,058)
	Non-current portion	44,717,402	2,773,749
10.1	Provision for Diminishing Musharakah finances		
	Opening balance	50,058	-
	Impact of IFRS-9 provision during the year	850,167	50,058
	Closing balance	900,225	50,058

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

11 LONG TERM 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	March 31, 2023		June 30, 2022	
Mar-23	Jun-22		Average Cost	Market Value	Average Cost	Market Value
-----Rupees-----						
90,000	90,000	Sui Northern Gas Pipelines Limited	5,806,704	3,518,100	5,806,704	3,078,900
26,875	21,500	The Searle Company Limited	4,743,273	1,383,525	4,743,273	2,343,930
75,000	75,000	Pakistan Telecommunication Company Limited	1,029,049	438,000	1,029,049	521,250
16,000	17,000	Oil & Gas Development Company	1,811,631	1,333,760	1,924,850	1,337,398
			<u>13,390,657</u>	<u>6,673,385</u>	<u>13,503,876</u>	<u>7,281,478</u>
					(Un-audited)	(Audited)
					Mar 31, 2023	June 30, 2022
12 FIXED ASSETS			Note	-----Rupees-----		
Intangible assets			12.1	172,220	-	
Operating fixed assets given on lease (ijarah) -			12.2	136,786,987	147,262,006	
Operating fixed assets in own use - tangible			12.3	14,246,663	13,527,952	
Right of use assets			12.4	2,538,275	2,266,005	
				<u>153,744,145</u>	<u>163,055,963</u>	
12.1 Intangible assets						
Opening written down value				-	-	
Additions during the period / year				200,000	-	
Disposals during the period / year				-	-	
				<u>200,000</u>	-	
Amortization for the period / year			19	(27,780)	-	
				<u>172,220</u>	-	
12.2 Operating assets given on Ijarah						
Opening written down value				147,262,006	94,956,022	
Additions during the period / year				31,773,000	106,776,227	
Disposals during the period / year				(12,110,281)	(21,648,231)	
				<u>166,924,725</u>	<u>180,084,018</u>	
Depreciation charge for the period / year			16	(30,137,738)	(32,822,012)	
				<u>136,786,987</u>	<u>147,262,006</u>	
12.3 Fixed assets in own use						
Opening written down value				13,527,952	13,126,289	
Additions during the period / year			12.3.1	1,888,472	1,103,050	
Disposals during the period / year				(107,965)	(146,845)	
				<u>15,308,459</u>	<u>14,082,494</u>	
Depreciation charge for the period / year			19	(1,061,796)	(554,542)	
				<u>14,246,663</u>	<u>13,527,952</u>	

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

		(Un-audited) Mar 31, 2023	(Audited) June 30, 2022
12.3.1	Additions during the period / year	Note	-----Rupees-----
	Office equipment		395,100
	Furniture and fixtures		278,600
	Electrical equipment		9,600
	Vehicle		1,205,172
			<u>1,888,472</u>
			<u>1,103,050</u>
12.3.2	Book value at the end of period / year		
	Land	12.3.3	10,728,400
	Furniture and fixtures		602,275
	Office equipment		734,931
	Vehicles		1,685,436
	Electrical equipment		495,620
			<u>14,246,662</u>
			<u>13,527,952</u>
12.3.2	It includes 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 February 17, 2023 for further processing of the case.		
			(Un-audited) (Audited) Mar 31, 2023 June 30, 2022
12.4	Right of use assets	Note	-----Rupees-----
	Opening balance		2,266,005
	Additions during the year		1,165,106
			<u>3,431,111</u>
	Depreciation charge for the year	19	(892,836)
	Closing balance		<u>2,538,275</u>
			<u>2,266,005</u>
13	CREDITORS, ACCRUED AND OTHER LIABILITIES		
	Payable to Modaraba Management Company		-
	Provision for Workers' Welfare Fund		49,963
	Accrued expenses		294,666
	Other liabilities		276,195
			<u>620,824</u>
			<u>11,361,125</u>
14	UNREALIZED LOSS ON REVALUATION OF INVESTMENTS		
	Opening balance		(5,528,682)
	Deficit on revaluation during the year	14.1	(506,464)
	Closing balance		<u>(6,035,146)</u>
			<u>(2,728,426)</u>
			<u>(2,800,256)</u>
			<u>(5,528,682)</u>
14.1	This represents deficit on revaluation of investments classified as fair value through other comprehensive income. Unrealized gain on revaluation of investment cannot be distributed to the certificate holders.		
15	CONTINGENCIES AND COMMITMENTS		
15.1	Contingencies		
15.1.1	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.		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

- 15.1.1** 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 21 March, 2023 for further processing of the case.
- 15.1.2** The Assistant commissioner Inland Revenue has issued order dated June 30, 2022 by creating demand under sub-section 161 of Rs 1,038,285 along with default surcharge of Rs 809,862. The tax payer has filed appeal against said order on July 16, 2022. Hearing of the case is pending and date of hearing is not yet fixed. In view of tax consultant, the favorable outcome is expected in favor of Modaraba.

15.1.2 Ijarah commitments

The Modaraba has entered into ijarah arrangements for vehicles. These arrangements have remaining terms of less than five years. Such arrangements also include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future ijarah payments due under these arrangements at the year end are as follows:

		(Un-audited) Mar 31, 2023	(Audited) June 30, 2022
	Note	-----Rupees-----	
Disbursement of Diminishing Musharakah to be made	15.2	<u>6,000,000</u>	<u>39,911,500</u>

		Nine months period ended March 31		Quarter ended March 31	
	Note	2023	2022	2023	2022
16 INCOME FROM IJARAH - NET		-----Rupees-----			
Income from leasing and Ijarah operations		45,958,075	37,921,283	14,736,284	12,192,124
Less: depreciation on fixed assets given on ijarah		<u>(30,137,738)</u>	(23,725,766)	<u>(10,080,900)</u>	(8,358,357)
Less: insurance on ijarah assets		<u>(2,743,191)</u>	(2,511,649)	<u>(905,213)</u>	(971,808)
		<u>13,077,146</u>	<u>11,683,868</u>	<u>3,750,171</u>	<u>2,861,959</u>
17 INCOME FROM INVESTMENT - NET					
Dividend income on equity investments		2,024,933	1,656,750	126,000	173,500
(Loss)/gain on sale of short term investments		<u>(1,681,955)</u>	(1,103,722)	<u>(586,763)</u>	(168,227)
		<u>342,978</u>	<u>553,028</u>	<u>(460,763)</u>	<u>5,273</u>
18 OTHER INCOME					
Gain on disposal of ijarah assets		185,432	6,714,053	-	813,912
Gain on disposal of owned fixed assets		494,535	-	137,500	-
Profit on deposit and saving accounts with banks		526,568	337,366	193,365	63,466
Rental income from investment properties		-	20,001	-	-
Gain on settlement		-	37,335,047	-	-
Fair value loss on investment properties		-	(1,435,350)	-	-
Processing, documentation charges		480,950	378,630	130,300	78,350
Miscellaneous income		286,388	1,076,360	166,450	249
		<u>1,973,873</u>	<u>44,426,107</u>	<u>627,615</u>	<u>955,977</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Note	Nine months period ended March 31		Quarter ended March 31	
		2023	2022	2023	2022
19 OPERATING EXPENSES		-----Rupees-----			
Salaries, allowances and other benefits		14,331,138	14,027,630	4,211,565	4,385,958
Legal and professional charges		187,500	450,375	87,500	167,375
Fees and subscription		3,240,886	4,493,154	1,084,057	643,118
Electricity, gas and water		839,903	678,427	23,929	161,888
Telephone, postage and courier		736,728	581,505	173,175	159,710
Advertisement		63,435	132,783	-	50,000
Printing and stationery		641,035	617,253	204,054	125,140
Traveling and conveyance		506,317	466,347	158,566	218,594
Entertainment		583,454	444,846	164,307	115,328
Insurance		205,671	191,009	71,697	53,070
Auditors' remuneration		91,476		91,476	-
Vehicle running		1,517,821	1,389,210	459,124	439,000
Newspaper and periodicals		12,390	13,502	4,985	3,823
Rent, rates and taxes		1,165,844	1,291,826	721,492	433,392
Repairs and maintenance		1,906,142	1,574,698	727,625	494,201
Depreciation on own assets	12.3	1,061,796	409,969	234,895	136,759
Depreciation on right of use assets	12.4	892,836	369,960	297,612	369,960
Amortization on intangible assets	12.1	27,780	-	16,668	-
Bank charges and commission		12,769	11,860	-	5,322
Sales tax		64,323	43,462	20,788	1,856
Ijarah rental expense - vehicle		-	461,151	-	(157,208)
Unwinding of lease liabilities		408,370	218,190	126,291	218,190
Miscellaneous		217,700	179,853	71,719	97,063
		<u>28,715,314</u>	<u>28,047,010</u>	<u>8,951,525</u>	<u>8,122,539</u>
20 EARNINGS PER CERTIFICATE- BASIC AND DILUTED					
(Loss)/profit for the period	Rupees	<u>(4,384,452)</u>	12,676,464	<u>(2,570,273)</u>	(1,969,230)
Weighted average number of certificates	Number	<u>29,800,000</u>	29,800,000	<u>29,800,000</u>	29,800,000
Earnings per certificate	Rupees	<u>(0.15)</u>	0.43	<u>(0.09)</u>	- 0.07
20.1	There is no dilution effect on the basic earnings per certificate of the Modaraba.				
				Mar 31, 2023 (Un-audited)	Mar 31, 2022 (Un-audited)
21 CASH GENERATED FROM OPERATIONS	Note	----- (Rupees) -----			
(Loss)/profit before taxation				(3,298,552)	16,582,095
Adjustments for non-cash and other items:					
- Depreciation:					
Under ijarah	16			30,137,738	23,725,766
In own use	12.2			1,061,796	409,969
Right of use assets	12.3			892,836	369,960
- Amortization on intangible assets	12.4			27,780	-
- Provision for doubtful receivables	12.1			747,114	-
- Gain on disposal of ijarah assets				(185,432)	(6,547,585)
- Gain on disposal own assets	18			(494,535)	(166,468)
- Loss on disposal investment properties	18			-	3,897,550
- Loss on sale of short term investment				1,681,955	1,103,722
- Unrealized (gain)/loss on revaluation of held for trading investment				3,870,915	11,912,987
- Unwinding of lease liabilities				408,370	218,190
- Surplus on revaluation of fixed assets				-	(2,457,200)
- Workers' Welfare Fund				-	338,410
- Dividend income	17			(2,024,933)	(1,656,750)
				<u>36,123,604</u>	<u>31,148,551</u>
Operating profit before working capital changes				<u>32,825,052</u>	<u>47,730,646</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Mar 31, 2023 (Un-audited)	Mar 31, 2022 (Un-audited)
	-----Rupees-----	
Decrease / (increase) in current assets		
- Advances, deposits, prepayments and other receivables	19,009,067	(13,701,986)
- Short term murabaha finances	(2,878,073)	8,038,375
- Short term musharakah finances	15,563,346	3,056,642
- Ijarah rental receivables	(71,899)	11,901,295
- Stock in trade	-	319,099
Increase / (decrease) in current liabilities		
- Creditors, accrued and other liabilities	(10,740,301)	7,468,608
Cash generated from operations	20,882,140	17,082,033
	53,707,192	64,812,679

22 TRANSACTIONS WITH RELATED PARTIES	Nine months period ended		Quarter ended	
	March 31		March 31	
Transactions during the period	2023	2022	2023	2022
	-----Rupees-----			
Related party	Relationship	Nature of transaction		
Al-Zamin	Modaraba	Management	-	1,880,056
Modaraba	Management	fee and others		(220,297)
Management	Company			
Employees' Provident Fund	Associated undertaking	Contribution for the period	728,820	710,493
Director	Director	Interest free loan repaid	5,000,000	5,000,000
Executives and close relatives thereof	Associated person	Repayment of loan received	-	135,000
			(Un-audited)	(Audited)
			Mar 31, 2023	June 30, 2022

Outstanding Balance as at the period end			-----Rupees-----	
Related party	Relationship	Nature of transaction		
Al-Zamin	Modaraba	Payable against	-	1,484,020
Modaraba	Managemnt	management fee and others		
Management	Company			
Director	Director	Loan payable	-	5,000,000
Executives and close relatives thereof	Associated person	Loan receivables	500,000	500,000

23. GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest Rupee.

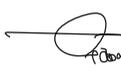
24. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements are approved and authorized for issuance on 26th April, 2023. by the Board of Directors of the Management Company.

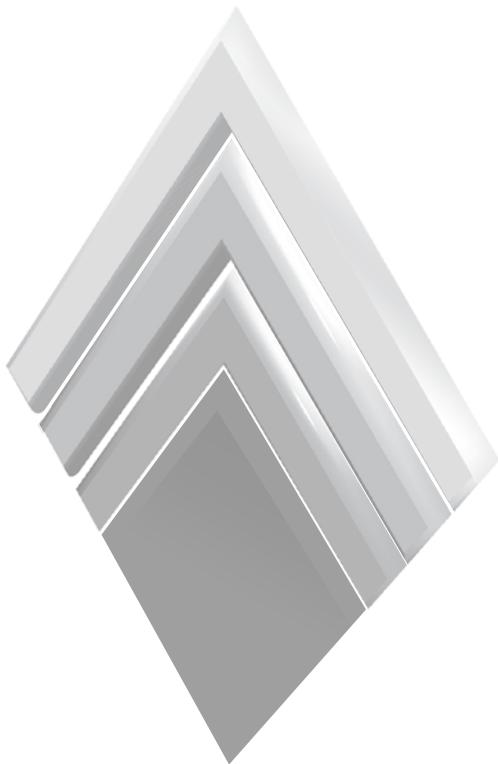
For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER



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