

HALF YERLY REPORT

December 31, 2016



Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (PVT) Ltd.



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CORPORATE INFORMATION

Modaraba Company

Al-Zamin Modaraba Management (Private) Limited

Board of Directors

| | |
|-------------------------------------|-----------------|
| Mr. Syed Manzoor Hussain Shah Kazmi | Chairman |
| Mr. Basheer Ahmed Chowdry | Chief Executive |
| Mr. Shaikh Arshad Farooq | Director |
| Mr. Muhammad Imranul Haque | Director |
| Mr. Sohail Ansar | Director |
| Dr. Namoos Baquar | Director |
| Mr. Syed Shahnawaz A. Rizvi | Director |

Management

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

Audit Committee

| | |
|-----------------------------|---------------------------|
| Mr. Syed Shahnawaz A. Rizvi | Chairman |
| Mr. Shaikh Arshad Farooq | Member |
| Mr. Sohail Ansar | Member |
| Ms. Hamida Aqeel | Secretary Audit Committee |

Human Resource Committee

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

Internal Auditors

Grant Thornton Anjum Rahman.
Chartered Accountants

Auditors of the Modaraba

M/S Horwath Hussain Chaudhury & Co.
Chartered Accountants

Bankers

Meezan Bank Limited
Bank Alfalah Limited – Islamic Banking

Legal Advisors

Shakeel Ahmed Awan
Advocate, Supreme Court of Pakistan.
S&B Durrani Law Associates
Sameera Usto & Associates

Registered Office/Principal Place of Business

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

Regional office

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

Gujranwala Branch

51-A, Adjacent Standerd Chartered Bank, Trust Plaza G. T. Road, Gujranwala.
Telephone: 055-3730308, 055-3730300 Fax : 055-3731108

Registrars

Hameed Majeed Associates (Private) Limited
1st Floor, H.M House, 7 –Bank Square, Lahore Telephone: 042-37235081-2 Fax : 042- 37358817

DIRECTORS' REPORT

The Directors of Al-Zamin Modaraba Management (Private) Limited take pleasure in presenting the financial statements of Trust Modaraba for the half year ended 31st December, 2016 duly reviewed by the external auditors in compliance of Corporate Governance.

Pakistan economy is moving towards stability, Pakistan is expecting 5.70% economic growth in the current fiscal year. Foreign investment in the country flourished after a long pause and a growth of 10% to \$1.08 billion was recorded in the six months of current fiscal year. The economic measures started paying some dividends as, after a long gap in the first six months, the barrier of \$1.0 billion has been crossed. Some two dozen huge industrial areas have been marked down to establish industries, banking, energy and service projects to be located from Gawader to China as part of the CPEC. The first phase of China Pakistan Economic Corridor with the investment of \$46 billion is planned to be completed by the end of December, 2017 or early 2018 which will change the overall scenario of the economic activities in the country. Pakistan Stock Exchange has been ranked 5th best performing market of the world in the year 2016, the Exchange achieved its new high with 100 index gaining a record 43.05%. Foreign Exchange reserve crossed US \$23 billion as of 31st December, 2016.

During the period under review, your Modaraba has recorded total income of Rs. 45.436 million as compared to Rs. 41.467 million of the previous comparable period. A profit of Rs. 10.861 million has been earned for the half year ended 31st December, 2016 before management fee which is almost double of Rs. 5.886 million of the previous corresponding period. Balance sheet footing of your Modaraba stood at Rs. 390.716 million and Certificate holder's equity increased to Rs. 311.127 million from Rs. 310.165 million, even after distribution of cash dividend.

EARNING PER CERTIFICATE

Earning per certificate of the Modaraba is Rs. 0.33 per certificate for the half year ended 31st December, 2016 as compared to Rs. 0.18 per certificate in the corresponding period last year.

CREDIT RATING

The Board is happy to report that JCR VIS Credit Rating Company have assigned an initial rating to Trust Modaraba of 'BBB-/A-3' with a 'Positive' outlook. Ratings signify prospective recoveries of NPLs, adequate liquidity level and low leverage indicators of the Modaraba attributable to equity financed balance sheet.

It may be added that the Modaraba was taken over from the previous management without any credit rating allocated to it.

Your Management is grateful for the valuable trust of Certificate holders and continues making every possible endeavour to maximize profits through efficiency and effectiveness in business operations. At the same time, efforts continue for increasing funding resources of the Modaraba, accelerate recovery of inherited litigated portfolio and diversify business avenues to ensure better returns for the certificate holders.

For and on behalf of the Board of Directors



Basheer A. Chowdry
Chief Executive

Karachi
Date: February 25, 2017

ڈائریکٹر رپورٹ

الضامن مضاربہ ٹرسٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز (پورے نامہ لین) مئرسٹ مضاربہ کی 31 دسمبر 2016 کو اختتام پزیر ہونے والی انٹرمیڈیٹ کوٹھارے (جن کا کارپوریٹ گورننس کے ضابطوں کی قیود کرتے ہوئے پیر وئی ٹرسٹ) (external auditors) کا نوٹس لے چکے ہیں) کی پیش کردہ ہوئے خوش محسوس کرتے ہیں۔

گذشتہ ششماہ کے دوران پاکستان کی معیشت بہتری کی جانب گامزن رہی اور اپ اس مالی سال میں معاشی نمو میں 5.70 فیصد اضافے کی توقع کی جا رہی ہے۔ موجودہ سال کے چھ ماہ میں ایک طویل وقفے کے بعد ملک میں غیر ملکی سرمایہ کاری میں اضافہ ہوا اور 10 فیصد اضافے کے ساتھ 1.08 بلین امریکی ڈالر کارڈ کی گئی۔ پہلے چھ ماہ میں ایک طویل وقفے کے بعد، معاشی اقدامات نے نتائج، پائیدار وضع کر دیے ہیں اور 1.00 بلین امریکی ڈالر کی حد عبور کی جا چکی ہے۔ CPEC کے تناظر میں گوارے ہیں تک صنعتوں، بینکاری، توانائی اور خدمات کی فراہمی کے شعبوں کے تمام کے لیے تقریباً دو درجن وسیع و عریض علاقوں کی انٹانڈی کی جا چکی ہے۔ 46 بلین امریکی ڈالر کی سرمایہ کاری کے ساتھ، پاک چین اقتصادی راہداری کے پہلے مرحلے کو دسمبر 2017 یا ابتدائی 2018 تک مکمل کرنے کی منصوبہ بندی کی گئی ہے جو ملک کی معاشی سرگرمیوں کا مجموعی منظر تبدیل کر دے گی۔ سال 2016 میں پاکستان اسٹاک ایکسچینج، بنیادی ترین کارکردگی دکھانے میں مارکیٹ پانچویں درجے پر پہنچ چکا ہے اور اسے 100 اندیس میں 43.05 فیصد کا اضافہ دکھایا ہے۔ 31 دسمبر 2016 کو غیر ملکی زرمبادلہ کے ذخائر 23 بلین امریکی ڈالر سے تجاوز کر گئے۔

زیر غور مدت کے دوران آپ کے مضاربہ نے 45,436 ملین روپے کی کل آمدنی کا اندراج کیا جو گذشتہ سال اسی مدت کے دوران 41,467 ملین روپے تھی۔ 31 دسمبر 2016 کو ختم ہونے والی ششماہ میں 10,861 ملین روپے کا منافع قبل از ٹریڈ منس ختم کیا گیا جو گذشتہ سال کی اسی مدت کے منافع 5,886 ملین روپے سے تقریباً دو گنا ہے۔ آپ کے مضاربہ کی بیلنس شیٹ کا حاصل 716,390 ملین روپے یا اور سرٹیفیکیٹ کنندہ کی ایکویٹی 310,165 ملین روپے سے کمیشن پائیڈ اینڈ کی ایسٹی کے باوجود 311,127 ملین روپے تک بڑھ گئی۔

آمدنی سرٹیفیکیٹ

31 دسمبر 2016 کو ختم ہونے والی ششماہ میں مضاربہ کی گذشتہ سال کی اسی مدت کی فی سرٹیفیکیٹ آمدنی 0.18 روپے مقابلے میں 0.33 روپے فی سرٹیفیکیٹ رہی۔

کریڈٹ ریٹنگ

بورڈ اس بات کا اعلان کرتے ہوئے خوش محسوس کرتا ہے کہ سی آر۔وی آئی ایس (JCR-VIS) کریڈٹ ریٹنگ ایجنسی مئرسٹ مضاربہ کو بیٹس منسٹر کے ساتھ ابتدائی BBBB-/A-3 کی ریٹنگ دے چکی ہے۔ یہ معیار ممکنہ پرانے قرضہ جات (NPLs) کی وصولیوں، مناسب سالیٹ (liquidity) کی سطح اور مضاربہ کی ایکویٹی کی بنیاد پر طے کی گئی ہے۔

یہ بات بھی قابل ذکر ہے کہ مضاربہ کو پچھلی انتظامیہ سے منتقلی کے وقت اس کو کوئی بھی ریٹنگ دستیاب نہیں تھی۔

آپ کی انتظامیہ، سرٹیفیکیٹ کنندگان کے قیمتی اثاثوں کی نمونہ ہے اور وہ مسلسل سے ہر ممکنہ جدوجہد کر رہی ہے کہ کاروبار میں بہتری اور موثر کارکردگی سے منافع کو زیادہ سے زیادہ ایجا سکتے۔ پورڈر ممکن کو شش کرے گا کہ مضاربہ کے فنڈنگ وسائل میں اضافہ کیا جائے، ممبروں کی پورٹ فولیو اور پرانے قرضہ جات (NPLs) کی وصولی کی رفتار میں اضافہ اور کاروبار میں متنوع راستے تلاش کیے جائیں گے تاکہ سرٹیفیکیٹ کنندگان کے لیے زیادہ منافع کو یقینی بنایا جاسکے۔

برائے پورڈ آف ڈائریکٹرز کے جانب سے



بشیراے۔ چودھری
چیف ڈائریکٹر

کراچی۔ فروری 2017



Shariah Advisor's Report

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

I have conducted Shariah Review of Trust Modaraba managed by Al-Zamin Modaraba Management (Private) Limited for the half year ended 31st December, 2016 in accordance with the requirements of the Shariah Compliance and Shariah Audit Mechanism for Modarabas and report that except the observations as reported hereunder, 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. Following were the major developments that took place during the year:
 - a) Research and new product developments.
Adopted new inducted Shariah Compliance and Shariah Audit Mechanism.
 - b) Followed Model Islamic Financing Agreements approved by Religious Board.
- iii. 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.
- iv. To the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shariah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah Compliance and Shariah Audit Regulations for Modarabas.
- v. profit sharing ratios, profits and charging of losses (if any) relating to any deposit raising product conform to the basis and principles of Shariah.
- vi. No earnings have been realized by any means prohibited by Shariah.

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

Muhammad Zubair Usmani
Jamia Darul Uloom Karachi

25th February, 2017.

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Trust Modaraba ("the Modaraba") as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended ("the interim financial information"). Management of the Modaraba Management Company (Al Zamin Modaraba Management (Private) Limited) is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2016 and December 31, 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

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 interim financial information consists of making inquiries, primarily of persons responsible for the 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 cause us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2016 is not prepared in all material respect, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to the matter stated in Note 11.2.3 to the condensed interim financial information, the ultimate outcome of which cannot presently be determined and hence, no provision that may result therefrom has been made in the interim financial information. Our conclusion is not qualified in respect of this matter.

Other Matter

The financial statements of Trust Modaraba for the year ended June 30, 2016 were audited by another auditor who issued a modified report on those financial statements on September 27, 2016 by including the emphasis of matter paragraph.

HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants

(Engagement Partner: Muhammad Nasir Muneer)

LAHORE

Dated 25th February, 2017.

**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2016**

| | | <i>(Un-audited) December 31 2016 Rupees</i> | <i>(Audited) June 30 2016 Rupees</i> |
|--|----|---|--|
| ASSETS | | | |
| Current assets | | | |
| Cash and bank balances | | 10,850,150 | 11,920,526 |
| Short term investments | 4 | 22,689,253 | 11,741,863 |
| Advances, deposits, prepayments and other receivables | 5 | 23,242,602 | 22,307,460 |
| Short term murabaha finances | 6 | 43,483,487 | 38,086,090 |
| Current portion of long term murabaha finances | | 78,591,171 | 76,842,699 |
| Ijarah rental receivables | 8 | 22,331,452 | 22,529,575 |
| Short term musharakah finances | 9 | 5,200,000 | 12,900,000 |
| Current portion of long term diminishing musharakah finances | | 4,161,558 | 1,818,634 |
| Accrued profit | | 3,838,167 | 2,641,431 |
| Tax refunds due from Government | | 4,261,963 | 3,850,825 |
| Stock in trade | | 3,155,193 | 2,796,592 |
| | | 221,804,996 | 207,435,695 |
| Non-current assets | | | |
| Long term murabaha finances | 7 | 31,592,946 | 41,608,871 |
| Long term musharakah finances | | 2,669,710 | 1,803,208 |
| Long term deposits | | 2,123,440 | 1,788,640 |
| Long term investments | 10 | 5,092,437 | 8,848,649 |
| Fixed assets | 11 | 127,433,306 | 134,687,314 |
| | | 168,911,839 | 188,736,682 |
| TOTAL ASSETS | | 390,716,835 | 396,172,377 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Current portion of customers' security deposits | | 21,496,770 | 24,438,310 |
| Creditors, accrued and other liabilities | 12 | 24,503,445 | 24,142,415 |
| | | 46,000,215 | 48,580,725 |
| Non-current liabilities | | | |
| Deferred income on murabaha | | 3,811,911 | 5,769,711 |
| Customers' security deposits | | 29,777,442 | 31,656,452 |
| | | 33,589,353 | 37,426,163 |
| Total Liabilities | | 79,589,568 | 86,006,888 |
| NET ASSETS | | 311,127,267 | 310,165,489 |
| REPRESENTED BY CAPITAL AND RESERVES | | | |
| Certificate capital | 13 | 298,000,000 | 298,000,000 |
| Reserves | 14 | 13,127,267 | 12,165,489 |
| Contingencies and Commitments | 15 | - | - |
| | | 311,127,267 | 310,165,489 |

The annexed notes form an integral part of this condensed interim financial information (un-audited).


CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016**

| | | Half Year Ended December 31, | | Quarter Ended December 31, | |
|--|------|---------------------------------|----------------|-------------------------------|----------------|
| | Note | 2016 Rupees | 2015 Rupees | 2016 Rupees | 2015 Rupees |
| Operating income | | | | | |
| Income from ijarah operations | | 29,152,449 | 30,674,822 | 14,336,188 | 14,437,124 |
| Profit on murabaha finances | | 8,998,653 | 6,721,143 | 5,935,564 | 3,341,047 |
| Profit on musharakah finances | | 2,114,993 | 718,828 | 983,260 | 357,741 |
| Dividend income on equity investments | | 262,650 | 78,494 | 162,375 | 36,750 |
| Profit on long term investment - available for sale | | 738,976 | - | - | - |
| Gain realised on sale of short term investment - held-for-trading | | 1,483,476 | 1,164,992 | 460,260 | 836,862 |
| Gain realised on sale of long term investment - available for sale | | 1,062,314 | 10,601 | 1,062,314 | 10,601 |
| Trading income | | - | 189,930 | - | 101,242 |
| Other income | 16 | 826,508 | 1,908,116 | 165,718 | 626,895 |
| | | 44,640,019 | 41,466,926 | 23,105,679 | 19,748,262 |
| Reversal / (Provision) against non performing morabaha finances and other receivable | | - | - | - | (82,830) |
| Unrealised gain on revaluation of held for trading investment | | 796,136 | - | 635,648 | - |
| | | 45,436,155 | 41,466,926 | 23,741,327 | 19,665,432 |
| Operating costs | | | | | |
| Depreciation on operating assets given on lease/ijarah | | 19,874,914 | 20,468,249 | 9,869,033 | 9,723,099 |
| Administrative expenses | 17 | 14,637,769 | 14,097,721 | 8,072,056 | 7,614,869 |
| Trading loss | | 61,947 | - | 19,500 | - |
| Other charges | | - | 1,014,926 | - | 102,642 |
| | | (34,574,630) | (35,580,896) | (17,960,589) | (17,440,610) |
| | | 10,861,525 | 5,886,030 | 5,780,738 | 2,224,822 |
| Modaraba company's management fee | | (1,086,153) | (588,603) | (600,737) | (222,482) |
| Profit before taxation | | 9,775,372 | 5,297,427 | 5,180,001 | 2,002,340 |
| Taxation | 18 | - | - | - | - |
| Net profit for the period | | 9,775,372 | 5,297,427 | 5,180,001 | 2,002,340 |
| Earnings per certificate basic and diluted | 19 | 0.33 | 0.18 | 0.17 | 0.07 |

The annexed notes form an integral part of this condensed interim financial information (un-audited).



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016**

| | <i>Half Year Ended December 31,</i> | | <i>Quarter Ended December 31,</i> | |
|--|---|------------------------|---------------------------------------|------------------------|
| | <i>2016 Rupees</i> | <i>2015 Rupees</i> | <i>2016 Rupees</i> | <i>2015 Rupees</i> |
| Net Profit for the Period | 9,775,372 | 5,297,427 | 6,003,803 | 2,002,340 |
| <i>Other comprehensive Income</i> | | | | |
| <i>Items that may be reclassified subsequently to the profit or loss</i> | | | | |
| Net change in fair value of avail- able-for-sale investment | 126,406 | - | - | - |
| <i>Items that may be reclassified subsequently to the profit or loss</i> | | | | |
| <i>Total comprehensive income for the period</i> | 9,901,778 | 5,297,427 | 6,003,803 | 2,002,340 |

The annexed notes form an integral part of this condensed interim financial information (un-audited).



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) **FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

| | | <i>Half Year Ended December</i> | |
|--|-------------|---------------------------------|---------------|
| | | <i>31,</i> | |
| | <i>Note</i> | <i>2016</i> | <i>2015</i> |
| | | <i>Rupees</i> | <i>Rupees</i> |
| <i>CASH FLOWS FROM OPERATING ACTIVITIES</i> | | | |
| Cash generated from operations | | | |
| Cash generated from operations | 20 | 15,248,885 | 19,033,017 |
| Purchase of Ijarah assets | | (27,281,682) | (30,914,170) |
| Proceeds from disposal of Ijarah assets | | 13,611,971 | 33,017,440 |
| Income tax paid | | (411,138) | (145,092) |
| Net Cash generated from Operating Activities | | 1,168,036 | 20,991,195 |
| <i>CASH FLOWS FROM INVESTING ACTIVITIES</i> | | | |
| Purchase of owned assets | | - | (7,293,700) |
| Proceeds from disposal of owned assets | | 1,089,831 | - |
| Sale of Investments - net | | 5,683,907 | 1,614,133 |
| Expenditure on held for sale asset | | - | 2,100,000 |
| Long term deposits | | (334,800) | 179,000 |
| Dividends received | | 262,650 | 78,494 |
| Net Cash generated from / (used in) Investing Activities | | 6,701,588 | (3,322,073) |
| <i>CASH FLOWS FROM FINANCING ACTIVITIES</i> | | | |
| Profit distributed to certificate holders | | (8,940,000) | (12,665,000) |
| Net Cash used in Financing Activities | | (8,940,000) | (12,665,000) |
| Net Increase in the Cash and Cash Equivalents | | (1,070,376) | 5,004,122 |
| Cash and cash equivalents at the beginning of the period | | 11,920,526 | 827,212 |
| Cash and Cash Equivalents at the End of the Period | | 10,850,150 | 5,831,334 |

The annexed notes form an integral part of this condensed interim financial information (un-audited).

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

| | Certificate capital | Capital reserve | | Revenue reserves | | Total reserves | Total equity |
|---|---------------------|-------------------|---|---|---------------------|-------------------|--------------------|
| | | Statutory reserve | Unrealized loss on revaluation of investments | Unrealized loss on revaluation of investments | Accumulated loss | | |
| | | | | Rupees— | | | |
| Balance as at June 30, 2015 | 298,000,000 | 73,294,987 | - | - | (61,236,014) | 12,058,973 | 310,058,973 |
| Profit for the period | | | | | | | |
| Other comprehensive income for the period | | | | | | | |
| Total comprehensive income for six months period ended December 31, 2015 | | | | - | 5,297,427 | 5,297,427 | 5,297,427 |
| Total comprehensive income for six months period ended December 31, 2015 | | | | - | - | - | - |
| Final Dividend for the year ended June 30, 2015 @ Rs. 0.425 per certificate | | | | - | (12,665,000) | (12,665,000) | (12,665,000) |
| Balance as at December 31, 2015 | 298,000,000 | 73,294,987 | - | - | (68,603,587) | 4,691,400 | 302,691,400 |
| Balance as at June 30, 2016 | 298,000,000 | 76,422,242 | (258,715) | (63,998,038) | | 12,165,489 | 310,165,489 |
| Profit for the period | | | | | | | |
| Other comprehensive income for the period | | | | | | | |
| Total comprehensive income for six months period ended December 31, 2015 | | | | - | 9,775,372 | 9,775,372 | 9,775,372 |
| Final Dividend for the year ended June 30, 2016 @ Rs. 0.30 per certificate | | | | 126,406 | - | 126,406 | 126,406 |
| Balance as at December 31, 2016 | 298,000,000 | 76,422,242 | (132,309) | (63,162,666) | 13,127,267 | 13,127,267 | 311,127,267 |

The annexed notes form an integral part of this condensed interim financial information (un-audited).



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Trust Modaraba was formed in Pakistan under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 and the rules framed there under and being managed BY Al-Zamin Modaraba Management (Private) Limited (AMML) since February 23, 2009. The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharikas, leasing (Ijraha), investment in marketable securities, tradings and other permissible businesses. The Modaraba commenced its business operations from 12 November 1991. The Principal place of business and registered office is located at 104-106, Kassam Court BC-9 Block-5, Clifton, Karachi-75600 while regional office is located at 301,320, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore. The Modaraba is listed on the Pakistan Stock Exchange (PSX).

2. BASIS OF PREPARATION

2.1 This interim condensed financial information is unaudited and is being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981. This condensed interim financial information of the Company for the half year ended December 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2016. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2016 whereas comparative profit and loss account, comparative statement of comprehensive income, comparative cash flows statement and comparative statement of changes in equity are extracted from unaudited interim financial information for the half year ended December 31, 2015.

2.3 This condensed interim financial information is unaudited; however, a limited scope review has been performed by the external auditors as required by the Code of Corporate Governance. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2016 and December 31, 2015 have not been reviewed, as the auditor's required to review only the cumulative figures for the half year ended December 31, 2016..

2.4 The preparation of these condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2016.

2.5 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest rupees, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting and financial risk management policies and methods of computation of this condensed interim financial information are the same as those followed in the preparation of annual published financial statements for the year ended June 30, 2016.

**SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

| | | <i>(Un-audited)</i> <i>December 31</i> <i>2016</i> <i>Rupees</i> | <i>(Audited)</i> <i>June 30</i> <i>2016</i> <i>Rupees</i> |
|----------|--|---|--|
| 4 | Short Term Investments | | |
| | Financial Assets at Fair Value Through Profit and Loss - Held-For-Trading | | |
| | Modaraba Monthly Certificates | 4.1 12,000,000 | - |
| | NIT Islamic Unit Fund - at cost | 2,084,000 | 2,084,000 |
| | Meezan Islamic Fund - at cost | 1,627,833 | 1,627,833 |
| | Shares of listed companies - at cost | 4.2 6,159,268 | 8,008,015 |
| | Unrealized gain on revaluation of held-for-trading investments | 818,152 | 22,015 |
| | | <u>22,689,253</u> | <u>11,741,863</u> |

- 4.1 This represents investment in modaraba monthly certificates of Meezan Bank Limited having term of one month on roll over basis and maturity date of January 30, 2017.

| | <i>December 31, 2016</i> | | <i>June 30, 2016</i> | |
|--|--------------------------|-------------------|----------------------|-------------------|
| | <i>Avg. Cost</i> | <i>Mar. Value</i> | <i>Avg. Cost</i> | <i>Mar. Value</i> |
| | <i>Rupees</i> | | | |
| | <i>(Un audited)</i> | | <i>(Audited)</i> | |

4.1 Shares of Listed Companies:

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Byco Petroleum Pakistan Ltd. 35,000 (June 30, 2016: 25,000) ordinary shares of Rupees 10 each fully paid | 862,009 | 812,000 | 517,647 | 513,500 |
| Engro Corporation Pakistan 2,000 (June 30, 2016: 1,000) ordinary shares of Rupees 10 each fully paid | 644,126 | 632,200 | 334,440 | 332,970 |
| Fauji Fertilizers Company Ltd. 10,000 (June 30, 2016: 5,000) ordinary shares of Rupees 10 each fully paid | 1,151,658 | 1,044,000 | 575,106 | 573,600 |
| Fauji Fertilizer Bin Qasim Ltd 30,000 (June 30, 2016: 19,000) ordinary shares of Rupees 10 each fully paid | 1,682,201 | 1,530,000 | 1,066,551 | 1,007,190 |
| GalaxoSmithKline Pakistan Ltd. 500 (June 30, 2016: 2,000) ordinary shares of Rupees 10 each fully paid | 109,416 | 116,000 | 436,996 | 414,220 |
| K- Electric Ltd. Nil (June 30, 2016: 15,000) ordinary shares of Rupees 10 each fully paid | - | - | 125,754 | 120,900 |
| Mari Petroleum Company Ltd. Nil (June 30, 2016: 2,000) ordinary shares of Rupees 10 each fully paid | - | - | 1,835,495 | 1,816,440 |
| Mughal Iron and Steel Industries Ltd. Nil (June 30, 2016: 1,000) ordinary shares of Rupees 10 each fully paid | - | - | 75,542 | 67,190 |
| Pakistan Int'l Container Ltd. Nil (June 30, 2016: 300) ordinary shares of Rupees 10 each fully paid | - | - | 93,476 | 100,950 |
| Sui North Gas Pipeline Ltd. Nil (June 30, 2016: 15,000) ordinary shares of Rupees 10 each fully paid | - | - | 526,793 | 544,350 |



SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED) **FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

| | <i>December 31, 2016</i> | | <i>June 30, 2016</i> | |
|--|--------------------------|-------------------|----------------------|-------------------|
| | <i>Avg. Cost</i> | <i>Mar. Value</i> | <i>Avg. Cost</i> | <i>Mar. Value</i> |
| | <i>-----Rupees-----</i> | | | |
| The Searle Company Ltd. Nil (June 30, 2016: 2,500) ordinary shares of Rupees 10 each fully paid | - | - | 1,399,775 | 1,340,375 |
| Treet Corporation Ltd. 5,000 (June 30, 2016: 10,000) ordinary shares of Rupees 10 each fully paid | 334,354 | 326,000 | 595,064 | 494,300 |
| Lucky Cement Ltd. Nil (June 30, 2016: 500) ordinary shares of Rupees 10 each fully paid | - | - | 272,955 | 324,255 |
| Lotte Chemical Pakistan Ltd. 10,000 (June 30, 2016: 20,000) ordinary shares of Rupees 10 each fully paid | 79,686 | 83,500 | 152,421 | 120,200 |
| Hub Power 1,500 (June 30, 2016: Nil) ordinary shares of Rupees 10 each fully paid | 189,600 | 185,250 | - | - |
| Pak Electron Ltd 500 (June 30, 2016: Nil) ordinary shares of Rupees 10 each fully paid | 35,888 | 35,505 | - | - |
| Shell Pakistan 500 (June 30, 2016: Nil) ordinary shares of Rupees 10 each fully paid | 240,227 | 258,500 | - | - |
| Sui South Gas Pipeline 20,000 (June 30, 2016: Nil) ordinary shares of Rupees 10 each fully paid | 830,103 | 728,000 | - | - |
| Gskchc Pak Ltd 300 (June 30, 2016: Nil) ordinary shares of Rupees 10 each fully paid | - | 3,000 | - | - |
| | 6,159,268 | 5,753,955 | 8,008,015 | 7,770,440 |

| | <i>(Un-audited)</i> <i>December 31</i> <i>2016</i> | <i>(Audited)</i> <i>June 30</i> <i>2016</i> |
|--|--|---|
| <i>Note</i> | <i>Rupees</i> | <i>Rupees</i> |
| 5 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | |
| Advances to employees against salary - considered good | 706,000 | 392,500 |
| Security deposits | 4,500 | 4,500 |
| Prepayments | 1,846,626 | 2,415,041 |
| Due from brokers against sale of shares | 1,192,034 | 70,769 |
| Advance to supplier | 2,922,000 | 3,382,000 |
| Trade receivables | 13,186,637 | 12,443,324 |
| Receivable from Trust Management Services Private Limited | - | 1,489,036 |
| Provision for doubtful receivables | - | (1,489,036) |
| | - | - |
| Legal suits charges receivable | 3,015,950 | 3,087,595 |
| Provision for doubtful receivables | (781,223) | (781,223) |
| | 2,234,727 | 2,306,372 |

**SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

| | | <i>(Un-audited)</i> <i>December 31</i> <i>2016</i> <i>Rupees</i> | <i>(Audited)</i> <i>June 30</i> <i>2016</i> <i>Rupees</i> |
|---|--|---|--|
| | <i>Note</i> | | |
| Late payment charges receivable | | - | 3,192,155 |
| Suspended income | | - | (3,192,155) |
| | | - | - |
| Sundry receivables | | 1,648,532 | 1,791,408 |
| Provision for doubtful sundry receivables | | (498,454) | (498,454) |
| | | 1,150,078 | 1,292,954 |
| | | <u>23,242,602</u> | <u>22,307,460</u> |
| 6. Short Term Murabaha Finances | | | |
| Considered good | | - | 20,084 |
| Considered doubtful | | | |
| - Regular parties | | 6,217,481 | 800,000 |
| - Parties under litigation | | 66,432,306 | 66,432,306 |
| Recovery during the year | | - | - |
| | | 72,649,787 | 67,232,306 |
| Provision for classified receivables under Prudential Regulations for Modarabas | | (29,166,300) | (29,166,300) |
| | | <u>43,483,487</u> | <u>38,086,090</u> |
| 7 Long Term Murabaha Finances | | | |
| Considered good | | 59,821,927 | 65,929,667 |
| Considered doubtful | 7.2 | 50,362,190 | 55,248,510 |
| | | 110,184,117 | 121,178,177 |
| Less: Current portion | 7.3 | (78,591,171) | (79,569,306) |
| | | <u>31,592,946</u> | <u>41,608,871</u> |
| 7.1 | The Modaraba has sold goods under murabaha arrangements whereby payment is deferred along with specified profit margin. These finances are secured by way of hypothecation/pledge of stocks, shares of listed public limited companies, mortgage of properties, demand promissory notes, charge on assets and personal guarantees. | | |
| 7.2 | Considered doubtful-repurchase price | 52,319,576 | 56,770,732 |
| | Suspended income | (1,957,386) | (1,522,222) |
| | | <u>50,362,190</u> | <u>55,248,510</u> |
| 7.2.2 | Opening balance | 1,522,222 | 444,724 |
| | Recovery during the year | (340,520) | (216,489) |
| | Suspension made during the year | 775,684 | 1,293,987 |
| | | <u>1,957,386</u> | <u>1,522,222</u> |
| 7.3 | Current portion of long term murabaha finances | | |
| | Installments overdue | 42,484,479 | 43,350,504 |
| | Installments receivable within next 12 months | 36,106,692 | 36,218,802 |
| | | <u>78,591,171</u> | <u>79,569,306</u> |
| Provision for classified receivables under Prudential Regulations for Modarabas | | (2,726,607) | (2,726,607) |
| | | <u>75,864,564</u> | <u>76,842,699</u> |

**SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

| | | <i>(Un-audited)</i> <i>December 31</i> <i>2016</i> <i>Rupees</i> | <i>(Audited)</i> <i>June 30</i> <i>2016</i> <i>Rupees</i> |
|---|------|---|--|
| 8. Ijarah Rentals Receivable | | | |
| Considered good | | 3,993,206 | 4,243,379 |
| Considered doubtful | | | |
| - Regular parties | | 4,680,650 | 4,383,306 |
| - Parties under litigation | | 36,006,493 | 36,107,112 |
| Suspended ijarah income - considered doubtful | | (18,954,736) | (18,810,061) |
| Provision for doubtful Ijarah rental receivables | | (3,394,161) | (3,394,161) |
| | | <u>22,331,452</u> | <u>22,529,575</u> |
| Suspended ijarah income - considered doubtful | | | |
| Opening balance | | 18,810,061 | 18,995,855 |
| Recovery during the year | | 310,785 | (717,697) |
| Suspension made during the year | | (166,110) | 531,903 |
| | | <u>18,954,736</u> | <u>18,810,061</u> |
| Provision for doubtful Ijarah rental receivables: | | | |
| Opening balance | | 3,394,161 | 3,394,161 |
| Charge for the year | | - | - |
| | | <u>3,394,161</u> | <u>3,394,161</u> |
| 9 Short Term Musharakah Finances- Secured | | | |
| Considered good | | <u>5,200,000</u> | <u>12,900,000</u> |
| 10 Long Term Investments | | | |
| Available For Sale | | | |
| Equity securities - listed | | 1,784,296 | 2,973,149 |
| Sukuk certificates | | 3,308,141 | 5,875,500 |
| | | <u>5,092,437</u> | <u>8,848,649</u> |
| 11 Fixed Assets | | | |
| Operating fixed assets given on lease (ijarah) - tangible | 11.1 | 114,405,341 | 120,610,544 |
| Operating fixed assets in own use - tangible | 11.2 | 13,027,965 | 14,076,770 |
| | | <u>127,433,306</u> | <u>134,687,314</u> |
| 11.1 Operating assets given on Ijarah | | | |
| Opening written down value | | 120,610,544 | 139,426,280 |
| Additions during the period / year | | 27,281,682 | 59,207,170 |
| Disposals during the period / year | | (13,611,971) | (36,896,374) |
| | | <u>134,280,255</u> | <u>161,737,076</u> |
| Depreciation charge for the period / year | | (19,874,914) | (41,126,532) |
| | | <u>114,405,341</u> | <u>120,610,544</u> |

**SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

| | | <i>(Un-audited)</i> <i>December 31</i> | <i>(Audited)</i> <i>June 30</i> |
|---------------|---|---|------------------------------------|
| | | <i>2016</i> | <i>2016</i> |
| <i>Note</i> | | <i>Rupees</i> | <i>Rupees</i> |
| 11.2 | Fixed assets in own use | | |
| | Opening written down value | 14,076,770 | 13,634,127 |
| | Additions during the period / year | - | 1,034,200 |
| | Disposals during the period / year | (783,900) | (7,350) |
| | | <u>13,292,870</u> | <u>14,660,977</u> |
| | Depreciation charge for the period / year | (264,905) | (584,207) |
| | | <u>13,027,965</u> | <u>14,076,770</u> |
| 11.2.1 | Additions during the period / year | | |
| | Office equipments | - | 855,200 |
| | Vehicles | - | 179,000 |
| | | <u>-</u> | <u>1,034,200</u> |
| 11.2.2 | Book value at the end of period / year | | |
| | Land | 11,106,200 | 11,106,200 |
| | Furniture and fixtures | 472,422 | 538,404 |
| | Office equipments | 672,088 | 1,534,168 |
| | Vehicles | 440,746 | 511,437 |
| | Electrical equipments | 336,509 | 386,561 |
| | | <u>13,027,965</u> | <u>14,076,770</u> |
| 11.2.3 | 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 for possession of land in the Civil Court. The management and legal counsel of the Modaraba are confident that Modaraba has valid claim against DHA because title and sale deed is in name of the Modaraba and accordingly no loss has been charged against such land. | | |
| 12 | CREDITORS, ACCURED AND OTHER LIABILITIES | | |
| | Accrued expenses | 19,589 | 13,659 |
| | Management fee payable | 1,086,153 | 1,447,804 |
| | Deferred income on murabaha | 8,573,176 | 9,529,717 |
| | Security deposit | 40,000 | 40,000 |
| | Unclaimed dividends | 12,637,239 | 12,241,820 |
| | Advance against termination | 692,178 | - |
| | Advance against new Lease | 645,456 | - |
| | Other liabilities | 809,654 | 869,415 |
| | | <u>24,503,445</u> | <u>24,142,415</u> |
| 13 | Certificate Capital | | |
| | Authorised Certificate Capital | | |
| | 50,000,000 Modaraba Certificates (June 30, 2016: | | |
| | 50,000,000) of Rs.10/- each | <u>500,000,000</u> | <u>500,000,000</u> |



SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

| | <i>(Un-audited) December 31 2016 Rupees</i> | <i>(Audited) June 30 2016 Rupees</i> |
|--|---|--|
| <i>Issued, subscribed and paid-up Certificate Capital</i> | | |
| 150,000,000 Modaraba Certificates (June 30, 2016: 15,000,000) of Rs.10/- each fully paid-up in cash | 150,000,000 | 150,000,000 |
| 12,300,000 Modaraba Certificates (June 30, 2016: 12,300,000) of Rs.10/- each issued as fully paid bonus certificates | 123,000,000 | 123,000,000 |
| 2,500,000 Modaraba Certificates (June 30, 2016: 2,500,000) of Rs.10/- each issued as fully paid as a result of take over | 25,000,000 | 25,000,000 |
| | <u>298,000,000</u> | <u>298,000,000</u> |
| 14 Reserves | | |
| Statutory reserve | 76,422,242 | 76,422,242 |
| Revenue reserves: | | |
| Unrealized loss on revaluation of investments | (132,309) | (258,715) |
| Accumulated loss | (63,162,666) | (63,998,038) |
| | <u>(63,294,975)</u> | <u>(64,256,753)</u> |
| | <u>13,127,267</u> | <u>12,165,489</u> |
| 15 Contingencies and Commitments | | |
| <i>Contingencies</i> | | |
| There is no known Contingency as at December 31, 2016 (June 30, 2016: Nil). | | |
| <i>Commitments</i> | | |
| The Modaraba has acquired assets through ijarah arrangements. These arrangements have remaining terms of less than five years. Such arrangements also includes a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. | | |
| <i>Future Ijarah payments payable under these arrangements, as at December 31, 2016 are as follows:</i> | | |
| <i>Within one year</i> | 875,411 | 1,157,684 |
| <i>After one year but not more than five years</i> | 1,387,080 | 1,749,429 |
| | <u>2,262,491</u> | <u>2,907,113</u> |
| <i>Disbursement of ijarah/musharaka to be made</i> | <u>12,222,000</u> | <u>9,012,000</u> |

**SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

| | <i>Half Year Ended December</i> | | <i>Quarter Ended December</i> | |
|---|---------------------------------|-------------------|-------------------------------|------------------|
| | <i>31</i> | <i>31</i> | <i>31</i> | <i>31</i> |
| | <i>2016</i> | <i>2015</i> | <i>2016</i> | <i>2015</i> |
| | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> |
| 16 Other Income | | | | |
| Processing, documentation, other fees and charges | 139,000 | 173,500 | 85,000 | 119,500 |
| Gain on disposal of fixed assets | 305,931 | 1,173,888 | 71,936 | 319,462 |
| Miscellaneous income | 381,577 | 560,728 | 8,782 | 187,933 |
| | <u>826,508</u> | <u>1,908,116</u> | <u>165,718</u> | <u>626,895</u> |
| 17 Administrative Expenses | | | | |
| Salaries, allowances and other benefits | 5,612,348 | 5,317,380 | 3,010,009 | 2,912,090 |
| Legal and professional charges | 324,263 | 401,500 | 324,263 | 101,500 |
| Fees and subscription | 1,457,105 | 1,248,856 | 720,146 | 768,823 |
| Electricity, gas and water | 421,063 | 448,346 | 194,926 | 186,394 |
| Telephone, postage and courier | 425,040 | 383,103 | 249,898 | 265,607 |
| Rent, rate and taxes | 934,082 | 811,199 | 863,079 | 811,199 |
| Printing and stationery | 354,083 | 330,389 | 354,083 | 282,051 |
| Traveling and conveyance | 132,422 | 158,800 | 79,238 | 143,050 |
| Entertainment | 303,463 | 258,246 | 153,827 | 111,146 |
| Insurance | 2,046,968 | 1,814,557 | 1,001,143 | 825,242 |
| Advertisement | 65,488 | 122,411 | 65,488 | 122,411 |
| Auditor remuneration | - | 109,800 | - | 109,800 |
| Vehicle running and maintenance | 1,107,856 | 1,053,606 | 591,458 | 473,938 |
| Newspaper and periodicals | 10,645 | 10,680 | 6,777 | 5,399 |
| Repairs and maintenance | 489,310 | 645,533 | - | - |
| Depreciation on own assets | 264,905 | 274,350 | 132,450 | 136,572 |
| Bank charges and commission | 8,615 | 13,552 | - | 8,115 |
| Miscellaneous | 71,017 | 72,000 | - | 36,985 |
| Lease rental expense - vehicles | 598,386 | 612,258 | 322,311 | 306,192 |
| Sales tax | 10,710 | 11,155 | 2,960 | 8,355 |
| | <u>14,637,769</u> | <u>14,097,721</u> | <u>8,072,056</u> | <u>7,614,869</u> |

18 Taxation

No provision with respect to current and deferred taxation has been made in these accounts on the premise that under the current tax law the income of non-trading Modarabas is exempt from income tax provided that they distribute ninety percent cash profit to certificate holders out of current year's total profit after appropriating statutory reserves. As the management is intending to follow the aforesaid policy for profit distribution for the current year, no provision with respect to current and deferred taxation has been made in these condensed interim

19 Earnings per Certificate - Basic & Diluted

| | | | | | |
|---|--------|-------------|-------------|-------------|-------------|
| Profit for the period | Rupees | 9,775,372 | 5,297,427 | 5,180,001 | 2,002,340 |
| Weighted average number of certificates outstanding during the period | Number | 29,800,000 | 29,800,000 | 29,800,000 | 29,800,000 |
| Earnings per certificate - basic | Rupees | <u>0.33</u> | <u>0.18</u> | <u>0.17</u> | <u>0.07</u> |

19.1 Diluted earnings per certificate

There is no dilution effect on the basic earnings per certificate of the Company as the Company has no such commitments that would result in dilution of earnings of the Company.

**SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

| | <i>(Un-audited)</i> <i>December 31</i> <i>2016</i> <i>Rupees</i> | <i>(Un-audited)</i> <i>December 31</i> <i>2015</i> <i>Rupees</i> |
|--|---|---|
| 20 Cash Generated from Operations | | |
| Profit before taxation | 9,775,372 | 5,297,427 |
| Adjustments for non-cash and other items: | | |
| Depreciation | 20,139,819 | 20,742,599 |
| Gain on disposal of fixed assets | (305,931) | (1,173,888) |
| Profit on long term investment - available for sale | (738,976) | - |
| Gain realised on sale of short term investment - held-for-trading | (1,483,476) | (1,164,992) |
| Gain realised on sale of long term investment - available for sale | (1,062,314) | (10,601) |
| Unrealised gain on revaluation of held for trading investment | (796,136) | - |
| Dividend income | (262,650) | (78,494) |
| | <u>15,490,336</u> | <u>18,314,624</u> |
| | 25,265,708 | 23,612,051 |
| Operating profit before working capital changes | | |
| Decrease / (increase) in current assets | | |
| Short term investment | (8,667,778) | (5,609,197) |
| Advances, deposits, prepayments and other receivables | (902,142) | 20,542,894 |
| Accrued Profit | (1,196,736) | 363,145 |
| Short term murabaha finances | (5,397,397) | (6,556,040) |
| Long term murabaha finances | 8,267,453 | 2,801,964 |
| Short term musharakah finances | 7,700,000 | (3,566,979) |
| Long term musharakah finances | (3,209,426) | 160,609 |
| Ijarah rental receivables | 198,123 | 357,678 |
| Stock in trade | (358,600) | 3,867,116 |
| (Decrease) / increase in current liabilities | | |
| Deffered income on murabaha | (2,914,341) | - |
| Creditors, accrued and other liabilities | 1,284,571 | (3,247,041) |
| Customers security deposits | (4,820,550) | (13,693,183) |
| | <u>(10,016,823)</u> | <u>(4,579,034)</u> |
| Cash generated from operations | <u>15,248,885</u> | <u>19,033,017</u> |

21 Balances and Transactions with Related Parties

Related parties of the Modaraba include the Modaraba management company [Al-Zamin Modaraba Management (Private) Limited], directors of Al-Zamin Modaraba Management (Private) Limited, employees provident fund and key management personnel. Transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employees, are given below:

| | | Half Year Ended December 31 | |
|------------------------------------|------------------------------|---|---|
| <i>Nature of Relationship</i> | <i>Nature of Transaction</i> | <i>2016</i> <i>(Un-audited)</i> <i>Rupees</i> | <i>2015</i> <i>(Un-audited)</i> <i>Rupees</i> |
| <i>Modaraba Management Company</i> | <i>Management fee paid</i> | 1,447,804 | 1,933,986 |
| | <i>Dividend paid</i> | 1,578,416 | 2,236,090 |
| <i>Employees' Provident Fund</i> | <i>Contributions paid</i> | 279,030 | 287,000 |
| <i>Certificate Holder</i> | <i>Dividend paid</i> | 5,099,400 | 6,947,900 |

**SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

| | December 31 2016 | | June 30 2016 | |
|------------------------------------|---------------------|-------|-----------------|--------|
| | (Un-Audited) | | (Audited) | |
| | Rupees | % | Rupees | % |
| 22 Business segments | | | | |
| Murabaha receivable | | | | |
| Educational Institutions | 23,708,560 | 12.6% | 27,712,746 | 14.4% |
| Engineering | 8,226,931 | 4.4% | 10,848,360 | 5.6% |
| Food and Allied | 34,043,348 | 18.2% | 34,227,503 | 17.7% |
| Individuals | 76,510,620 | 40.8% | 90,004,051 | 46.6% |
| Sugar & Allied | 4,133,200 | 2.2% | - | 0.0% |
| Textile | 9,997,833 | 5.3% | 2,242,450 | 1.2% |
| Chemical and Pharmaceuticals | 5,397,397 | 2.9% | 1,523,750 | 0.8% |
| Fuel & Energy | 10,000,000 | 5.3% | 10,000,000 | 5.2% |
| Vanaspatic and Allied Industries | 12,000,000 | 6.4% | 12,000,000 | 6.2% |
| Books and publications | 3,500,000 | 1.9% | 3,500,000 | 1.8% |
| Transport and Communication | - | 0.0% | 904,345 | 0.5% |
| Musharaka receivable | | | | |
| Individuals | 2,831,268 | 23.5% | - | 0.0% |
| Transport and Communication | 4,000,000 | 33.2% | - | 0.0% |
| Agriculture | 5,200,000 | 43.2% | 16,521,842 | 100.0% |
| Ijarah receivable | | | | |
| Individuals | 6,272,667 | 14.0% | 12,105,445 | 27.1% |
| Educational Institutions | 2,843,012 | 6.4% | - | 0.0% |
| Food & Allied | 10,071,588 | 22.5% | 10,131,622 | 22.6% |
| Fuel & Energy | 3,890,214 | 8.7% | - | 0.0% |
| Steel, Engineering and Automobiles | 1,761,363 | 3.9% | 2,317,807 | 5.2% |
| Textiles | 19,597,493 | 43.8% | 19,902,743 | 44.5% |
| Transport and Communication | 263,110 | 0.6% | 276,180 | 0.6% |

23 Date of Authorization for Issue

This condensed interim financial information (un-audited) is authorized for issuance on February 25, 2017 by the Board of Directors of the Management Company.

24 GENERAL

Corresponding figures have been rearranged, wherever necessary, to facilitate comparison. However, no significant reclassification has been made during the period.



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

BOOK POST

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