

NINE MONTHS REPORT

March 31, 2018



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

Horwath Hussain Chaudhary & Co.
Chartered Accountants

Bankers

Meezan Bank Limited
The Bank of Punjab

Legal Advisors

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

Registered Office/Principal Place of Business

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

Regional office

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

Gujranwala 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 quarter ended 31st March, 2018.

Political intervention and disruption in financial management, and the challenges ahead for Pakistan economy have touched unprecedented levels and, therefore, require a careful planning and cautious scheduling of disbursements. Fall in Rupees of around 10% would also have its impact on economy. The outcome of devaluation against US \$ in the domestic market incidentally coincided with a rise in the crude oil prices in the global market from January 2018. Thus in 2018, the country may witness considerable price hike. Pakistan economy may continue to face the problem of consolidation. Pakistan GDP growth, according to recent report by Moody's investor service, is expected to be closer to 5% in fiscal year 2018, while fiscal deficit will be wider than expected. CPEC which is expected to change the economy of Pakistan, it is undoubtedly a massive project which offer huge economic benefit to the people of Pakistan and the region.

During the period under review, your Modaraba has recorded total income at Rs. 47.208 million. During the quarter your Modaraba has earned a profit of Rs.1.843 million before management fee as compared to Rs. 1.523 million of the previous corresponding quarter. The factors affecting the profitability, including the stock exchange fluctuations, were reported in the half yearly accounts which are now on an improving pattern. Balance sheet footing of your Modaraba stood at Rs. 377.336 million and Certificate holder's equity at Rs. 304.014 million.

EARNING PER CERTIFICATE

Earning per certificate of the Modaraba is Rs. 0.03 per certificate for the nine months ended 31st March, 2018, as compared to Rs. 0.37 per certificate in the corresponding period last year.

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

For & on behalf of the Board of Directors



Karachi
April 26, 2018

Basheer A. Chowdry
Chief Executive



ڈائریکٹرز رپورٹ

الضامن مندر بہ شیڈولڈ (پرائیویٹ) لمیٹڈ کے ناظمین، ڈسٹ مندر بہ کی 31 مارچ 2018 پر ختم ہونے والی سہ ماہی کی مالیاتی دستاویزات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی انتظام میں سی اے اے ماہیت اور انتشار کی وجہ سے پاکستان کی معیشت کو درپیش مشکلات اس درجے پر ہیں جن کی کوئی مثال نہیں ہے، اس لیے محتاط منصوبہ بندی اور قرضوں کی فراہمی کا محتاط جدول (scheduling) تیار کرنا چاہیے۔ روپے کی قدر میں 10 فیصد کی کمی بھی معیشت پر اثر ہو گا۔ ملکی منڈی امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی کا نتیجہ اتفاق سے جنوری 2018 میں حالی منڈی میں خام تیل کی قیمتوں میں اضافے کے ساتھ ہوا ہے۔ اس لیے 2018 میں ملک میں قیمتوں میں اضافہ ہو سکتا ہے۔ پاکستان کی معیشت کو استحکام کے مسئلہ کا سامنا درپیش رہے گا۔ مؤڈرن انویسٹ سروسز کے حالیہ رپورٹ کے مطابق توقع ہے کہ مالی سال 2018 میں پاکستان کی مجموعی قومی پیداوار 5 فیصد کے آس پاس رہے گی، جبکہ مالیاتی خسارہ توقعات سے زیادہ رہے گا۔ CPEC جس سے توقع ہے کہ وہ پاکستان کی معیشت کو تبدیل کر دے گا، جو یقیناً ایک انتہائی بڑا منصوبہ ہے جو پاکستان اور خطے کو بہت زیادہ معاشی فوائد پہنچائے گا۔


زیر جائزہ مدت کے دوران، آپ کے مندر بہ نے 47,208 ملین روپے کا اندراج کیا۔ اس سہ ماہی میں آپ کے مندر بہ نے قبل از شیڈولڈ نمبر 1,843 ملین روپے کا منافع کمایا جبکہ گزشتہ سال اسی مدت کی سہ ماہی میں اس کی مالیت 1,523 ملین روپے تھی۔ منافع بخش کو مستحضر کرنے والے عوامل میں، بشمول حصص کی منڈی کا اتار چڑھاؤ، کوششیں کھاتوں میں بیان کیا گیا تھا جس میں اب بھری کارخانہ ہے۔ آپ کے مندر بہ کی بیلس شیٹ کی فوننگ 377.336 ملین روپے اور سرٹیفیکیٹ کنندگان کے کلکتی سرمایہ 304.014 ملین روپے ہے۔

آمدنی سرٹیفیکیٹ

31 مارچ 2018 کو اختتام پذیر نو ماہ میں مندر بہ کے سرٹیفیکیٹ کی آمدنی فی سرٹیفیکیٹ 0.03 روپے فی سرٹیفیکیٹ رہی جبکہ گزشتہ سال اسی مدت میں اس کی مالیت 0.37 روپے فی سرٹیفیکیٹ تھی۔

آپ کی انتظامیہ سرٹیفیکیٹ کنندگان کے قابل قدر حصہ سے عمل طور پر آگاہ ہے اور وہ کاروبار میں کلار کردگی کی صلاحیت اور مونوپولین سے منافع میں اضافے کے لیے اپنی ہر ممکن کوششیں جاری رکھے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے اور ان کے لیے


بشیر اے۔ چودھری
چیف ایگزیکٹو
26 اپریل 2018
کراچی

CONDENSED INTERIM BALANCE SHEET
 AS AT MARCH 31, 2018

		(Un-audited) March 31, 2018	(Audited) June 30, 2017
	Note	-----Rupees-----	
ASSETS			
Current assets			
Cash and bank balances		3,680,797	15,996,812
Short term investments	4	11,056,939	12,476,192
Advances, deposits, prepayments and other receivables	5	27,525,644	29,653,675
Short term murabaha finances	6	35,593,338	30,019,480
Current portion of long term murabaha finances		80,441,206	78,158,580
Ijarah rental receivables	8	23,407,055	24,530,948
Short term musharakah finances	9	17,950,000	16,400,000
Current portion of long term musharakah finances		6,367,453	5,658,882
Tax refunds due from Government		4,798,201	4,620,590
Stock in trade		19,978,253	3,267,316
		230,798,886	220,782,475
Non-current assets			
Long term murabaha finances	7	15,473,076	24,231,535
Long term musharakah finances		1,063,038	1,677,240
Long term deposits		2,706,690	2,093,590
Long term investments	10	11,498,988	7,576,698
Fixed assets	11	115,795,898	133,572,070
		146,537,690	169,151,133
TOTAL ASSETS		377,336,576	389,933,608
LIABILITIES			
Current liabilities			
Current portion of customers' security deposits		23,266,595	22,786,530
Creditors, accrued and other liabilities	12	24,198,420	23,013,510
Loan from the Modaraba Management company		3,000,000	-
Total current liabilities		50,465,015	45,800,040
Non-current liabilities			
Deferred income on murabaha		662,761	2,384,375
Customers' security deposits		22,194,400	26,580,292
		22,857,161	28,964,667
Total Liabilities		73,322,176	74,764,707
NET ASSETS		304,014,400	315,168,901
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital	13	298,000,000	298,000,000
Reserves	14	6,014,400	17,168,901
		304,014,400	315,168,901

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

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 ENDED MARCH 31, 2018**

	<i>Nine Months ended</i>		<i>Quarter ended</i>	
	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
Note	-----Rupees-----			
Operating income				
Income from ijarah operations	33,735,660	43,291,837	11,154,166	14,139,388
Profit on murabaha finances	7,092,774	11,374,139	2,870,248	2,375,486
Profit on musharakah finances	3,848,067	3,092,335	979,200	977,342
Dividend income on equity investments	427,688	372,650	51,188	110,000
Profit on long term investment - available for sale	248,239	804,112	35,546	65,136
Gain realised on sale of short term investment - held-for-trading	221,279	2,361,915	68,191	878,439
Gain realised on sale of long term investment - available for sale	2,013	1,110,096	-	47,782
Trading income	1,368,554	27,000	-	27,000
Other income	1,374,172	1,607,196	498,525	780,688
	16			
	48,318,446	64,041,280	15,657,064	19,401,261
Reversal / (Provision) against non performing morabaha finances and other receivable	(134,831)	4,681,190	-	-
Unrealised gain on revaluation of held for trading investment	(962,901)	515,321	1,372,565	(280,815)
	47,220,714	69,237,791	17,029,629	19,120,446
Operating costs				
Depreciation on operating assets given on lease/ijarah	23,390,034	29,667,974	7,596,358	9,793,060
Administrative expenses	17 22,633,221	22,442,276	7,578,379	7,804,507
Trading loss	12,000	61,947	12,000	-
Written off	-	4,681,191	-	-
	(46,035,255)	(56,853,388)	(15,186,737)	(17,597,567)
	1,185,459	12,384,403	1,842,892	1,522,879
Modaraba company's management fee	(118,546)	(1,238,440)	(118,546)	(152,287)
Profit before taxation	1,066,913	11,145,963	1,724,346	1,370,592
Taxation	18 66,000	-	-	-
Net Profit for the Period	1,000,913	11,145,963	1,724,346	1,370,592
Earnings per Certificate - Basic and Diluted				
	19 0.03	0.37	0.06	0.05

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

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	<i>Nine Months ended</i>		<i>Quarter ended</i>	
	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	-----Rupees-----			
Net Profit for the Period	1,000,913	11,145,963	1,724,346	1,370,592
Other comprehensive Income:				
<i>Items that may be reclassified subsequently to the profit or loss</i>				
Net change in fair value of available-for-sale investment	(1,725,414)	149,488	1,472,294	-
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-	-	-
Total comprehensive (loss) income for the period	(724,501)	11,295,451	3,196,640	1,370,592

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

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 ENDED MARCH 31, 2018**

	Note	<i>Nine Months ended</i>	
		<i>March 31</i> 2018	<i>March 31</i> 2017
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations			
Cash generated from operations	20	4,880,448	15,343,254
<i>Decrease / (increase) in non-current assets:</i>			
- Long term murabaha finances		6,475,833	13,482,313
- Long term musharakah finances		(94,369)	(2,224,670)
<i>(Decrease) / increase in non-current liabilities:</i>			
- Deferred income on murabaha		(1,071,933)	(5,553,159)
- Customers' security deposits		(3,905,827)	(6,899,000)
Purchase of Ijarah assets		(28,189,440)	(36,318,682)
Proceeds from disposal of Ijarah assets		23,091,050	16,653,421
Income tax paid		(243,611)	(748,274)
Net Cash (used in) / generated from Operating Activities		942,151	(6,264,797)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of owned assets		(479,302)	(198,800)
Proceeds from disposal of owned assets		234,000	1,529,656
(Purchase) / Sale of investments - net		(5,397,452)	6,399,085
Long term loans and deposits		(613,100)	(168,200)
Dividends received		427,688	372,650
Net Cash (used in) / generated from Investing Activities		(5,828,166)	7,934,391
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit distributed to certificate holders		(10,430,000)	(8,940,000)
Loan from the modaraba management company		3,000,000	-
Net Cash generated from / (used in) Financing Activities		(7,430,000)	(8,940,000)
Net Decrease in the Cash and Cash Equivalents		(12,316,015)	(7,270,406)
Cash and cash equivalents at the beginning of the period		15,996,812	11,920,526
Cash and Cash Equivalents at the End of the Period		3,680,797	4,650,120

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

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	Rupees					
	Certificate capital	Capital Statutory reserve	Revenue reserves "Unrealized loss on revaluation of investments"	Accumulated loss	Total reserves	Total equity
Balance as at July 01, 2016	298,000,000	76,422,242	(258,715)	(63,998,038)	12,165,489	310,165,489
Profit for the period	-	-	-	11,145,963	11,145,963	11,145,963
Other comprehensive income for the period ended March 31, 2017	-	-	149,488	-	149,488	149,488
Total comprehensive income for nine months period ended March 31, 2017	-	-	149,488	11,145,963	11,295,451	11,295,451
Profit distribution for the year ended June 30, 2016 @ Rs. 0.30 per certificate	-	-	-	(8,940,000)	(8,940,000)	(8,940,000)
Balance as at March 31, 2017	298,000,000	76,422,242	(109,227)	(61,972,075)	14,520,940	312,520,940
Balance as at July 01, 2017	298,000,000	79,253,192	(470,050)	(61,614,241)	17,168,901	315,168,901
Profit for the period	-	-	-	1,000,913	1,000,913	1,000,913
Other comprehensive income for the period ended March 31, 2018	-	-	(1,725,414)	-	(1,725,414)	(1,725,414)
Total comprehensive loss for nine months period ended March 31, 2018	-	-	(1,725,414)	1,000,913	(724,501)	(724,501)
Final Dividend for the year ended June 30, 2017 @ Rs. 0.35 per certificate	-	-	-	(10,430,000)	(10,430,000)	(10,430,000)
Balance as at March 31, 2018	298,000,000	79,253,192	(2,195,464)	(71,043,328)	6,014,400	304,014,400

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

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



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER



SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

Trust Modaraba was formed in Pakistan under the Modaraba Companies and Modarabas (Floation and Control) Ordinance, 1980 and the rules framed thereunder 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

This interim condensed financial information is unaudited and is being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting". This should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2017.

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, 2017.

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<u>March 31</u>	<u>June 30</u>
	<u>2018</u>	<u>2017</u>
Note	-----Rupees-----	

4. SHORT TERM INVESTMENTS

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

NIT Islamic Unit Fund - at cost	2,187,970	2,187,970
Meezan Islamic Fund - at cost	1,763,965	1,763,965
Shares of listed companies - at cost	9,041,125	9,535,016
Unrealized gain on revaluation of held-for-trading investments	(1,936,121)	(1,010,759)
	<u>11,056,939</u>	<u>12,476,192</u>

4.1

**SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

4.1 Shares of Listed Companies

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

Number of shares		Name of Investee	March 31, 2018		June 30, 2017	
March 31, 2018	June 30, 2017		Average cost	Market Value	Average Cost	Market Value
-----Rupees-----						
2,000	1,000	Attock Refinery Limited	793,713	497,600	465,259	382,580
3,500	3,500	Hub Power Company Limited	457,676	351,750	457,676	411,005
10,000	4,000	Engro Foods Limited	1,421,865	1,016,500	766,117	485,960
20,000	20,000	Fauji Cement Company Limited	899,160	588,000	899,160	820,600
1,000	4,000	Pakistan Oxygen Limited	296,123	232,380	1,235,522	964,080
3,500	2,500	Packages Limited	2,705,580	2,057,650	2,114,025	1,738,947
50,000	40,000	Byco Petroleum Pakistan Limited	1,113,726	727,500	973,734	764,000
12,500	10,000	Fauji Fertilizers Company Limited	1,353,282	1,171,875	1,151,658	826,400
-	5,000	Mughal Iron and Steel Industries Limited	-	-	360,128	403,650
-	1,750	The Searle Company Limited.	-	-	1,111,737	895,965
			9,041,125	6,643,255	9,535,016	7,693,187

(Un-audited) March 31, 2018	(Audited) June 30 2017
-----Rupees-----	

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

Advances to employees against salary - considered good	1,618,336	2,094,025
Security deposits	4,500	4,500
Current portion of long term deposit	-	204,000
Prepayments	1,380,816	1,803,658
Due from brokers against sale of shares	779	-
Accrued profit	4,573,740	4,327,385
Advance to supplier	4,408,000	6,971,500
Trade receivables	11,855,164	10,693,662
Legal suits charges receivable	3,509,713	3,196,187
Provision for doubtful receivables	(844,960)	(729,960)
Provision for doubtful receivables	2,664,753	2,466,227
Sundry receivables	1,518,010	1,587,172
Provision for doubtful sundry receivables	(498,454)	(498,454)
	1,019,556	1,088,718
	27,525,644	29,653,675



**SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	<i>(Un-audited)</i> March 31, 2018	<i>(Audited)</i> June 30 2017
Note	-----Rupees-----	
6. SHORT TERM MURABAHA FINANCES		
Considered good	7,861,334	-
Considered doubtful		
- Regular parties	-	2,287,468
- Parties under litigation	56,452,388	56,432,312
Recovery during the year	-	-
	56,452,388	58,719,780
Provision for classified receivables under Prudential Regulations for Modarabas	(28,720,384)	(28,700,300)
	35,593,338	30,019,480
7. LONG TERM MURABAHA FINANCES		
Considered good	53,448,709	50,261,697
Considered doubtful	7.2 45,192,180	54,855,025
	98,640,889	105,116,722
Less: Current portion	7.3 (83,167,813)	(80,885,187)
	15,473,076	24,231,535
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		
Suspended income	7.2.2 48,189,097	57,577,291
	(2,996,917)	(2,722,266)
	45,192,180	54,855,025
7.2.2 Opening balance		
Recovery during the year	2,722,266	1,522,222
Suspension made during the year	(470,528)	(340,520)
	745,179	1,540,564
	2,996,917	2,722,266
7.3 Current portion of long term murabaha finances		
Installments overdue	50,176,186	46,121,151
Installments receivable within next 12 months	32,990,997	34,764,036
	83,167,813	80,885,187
Provision for classified receivables under Prudential Regulations for Modarabas	(2,726,607)	(2,726,607)
	80,441,206	78,158,580
8. IJARAH RENTALS RECEIVABLE		
Considered good	5,594,532	2,924,915
Considered doubtful:		
- Regular parties	2,210,583	4,926,384
- Parties under litigation	38,530,657	39,380,657
Suspended ijarah income - considered doubtful	(19,534,556)	(19,306,847)
Provision for doubtful Ijarah rental receivables	(3,394,161)	(3,394,161)
	23,407,055	24,530,948

**SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	<i>(Un-audited)</i> March 31, 2018	<i>(Audited)</i> June 30 2017
Note	-----Rupees-----	
Suspended ijarah income - considered doubtful		
Opening balance	19,306,847	18,810,061
Recovery during the period / year	(244,131)	(119,385)
Suspension made during the period / year	471,840	616,171
	19,534,556	19,306,847
Provision for doubtful Ijarah rental receivables:		
Opening balance	3,394,161	3,394,161
Charge for the year	-	-
	3,394,161	3,394,161
9. Short Term Musharakah Finances- Secured		
Considered good	17,950,000	16,400,000
10. LONG TERM INVESTMENTS		
Available For Sale		
- Equity securities - listed	10.1 11,942,815	5,371,781
- Sukuk certificates	1,477,039	2,572,947
Total investment at cost	13,419,854	7,944,728
Unrealized loss on revaluation of investments	(1,920,866)	(368,030)
Net investments at fair value	11,498,988	7,576,698

10.1 Shares of Listed Companies

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

Number of shares		Name of Investee	March 31, 2018		June 30, 2017	
March 31, 2018	June 30, 2017		Average cost	Market Value	Average Cost	Market Value
-----Rupees-----						
5,000	3,000	D.G Khan Cement Co. Limited	983,792	812,500	670,597	639,480
1,000	1,000	Engro Corporation Pakistan	371,443	309,500	371,443	325,901
30,000	20,000	Lotte Chemical Pakistan Limited	331,317	315,000	236,379	197,000
4,000	1,500	Lucky Cement Limited	2,888,557	2,752,000	1,291,260	1,254,390
-	2,000	Oil & Gas Development Company Limited	-	-	345,145	281,380
11,000	5,000	Sui North Gas Pipeline Limited	1,589,637	1,237,500	829,750	744,600



**SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

Number of shares		Name of Investee	March 31, 2018		June 30, 2017	
March 31, 2018	June 30, 2017		Average cost	Market Value	Average Cost	Market Value
-----Rupees-----						
100,000	100,000	Pakistan Telecommunication company Limited	1,627,207	1,243,000	1,627,207	1,561,000
5,625	-	Maple Leaf Cement	498,917	396,844	-	-
3,000	-	Shell Pakistan	1,318,331	1,098,000	-	-
4,000	-	Pioneer Cement	334,239	279,240	-	-
4,500	-	The Searle Company Limited	1,999,375	1,578,365	-	-
			11,942,815	10,021,949	5,371,781	5,003,751

	<i>(Un-audited)</i>	<i>(Audited)</i>
	<u>March 31,</u>	<u>June 30</u>
	<u>2018</u>	<u>2017</u>
Note	-----Rupees-----	

11. FIXED ASSETS

Operating fixed assets given on lease (ijarah) - tangible	92,521,934	110,137,916
Operating fixed assets in own use - tangible	23,273,964	23,434,154
	<u>115,795,898</u>	<u>133,572,070</u>

11.1 Operating assets given on Ijarah

Opening written down value	110,137,916	120,610,544
Additions during the period / year	28,189,440	54,509,631
Disposals during the period / year	<u>(22,415,388)</u>	<u>(26,126,410)</u>
	115,911,968	148,993,765
Depreciation charge for the period / year	<u>(23,390,034)</u>	<u>(38,855,849)</u>
	<u>92,521,934</u>	<u>110,137,916</u>

11.2 Fixed assets in own use

Opening written down value	23,434,154	14,076,770
Additions during the period / year	11.2.1 479,302	10,810,050
Disposals during the period / year	<u>(190,400)</u>	<u>(918,155)</u>
	23,723,056	23,968,665
Depreciation charge for the period / year	11.2.2 (449,092)	(534,511)
	<u>23,273,964</u>	<u>23,434,154</u>

11.2.1 Additions during the period / year

Land	-	10,397,550
Furniture and fixtures	22,500	-
Office equipments	192,602	251,400
Vehicles	204,000	161,100
Electrical equipments	60,200	-
	<u>479,302</u>	<u>10,810,050</u>

**SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

		<i>(Un-audited)</i> March 31, 2018	<i>(Audited)</i> June 30 2017
Note	-----Rupees-----		
11.2.2 Book value at the end of period / year			
		21,503,750	21,503,750
	Land		
	Furniture and fixtures	328,677	406,440
	Office equipment	855,948	827,905
	Vehicles	290,301	394,050
	Electrical equipment	295,288	302,009
		23,273,964	23,434,154
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			
	EOBI payable	399	8,979
	Withholding tax payable	2,620	38,489
	Sales Tax payable	-	9,590
	Management fee payable	118,546	1,508,750
	Deferred income on murabaha	7,642,100	6,992,419
	Security deposit	40,000	40,000
	Unclaimed dividends	12,977,559	12,619,053
	Other liabilities	3,417,196	1,796,230
		24,198,420	23,013,510
13. CERTIFICATE CAPITAL			
	Authorised Certificate Capital 50,000,000 Modaraba Certificates (June 30, 2017: 50,000,000)of Rs.10/- each	500,000,000	500,000,000
Issued, subscribed and paid-up Certificate Capital			
	150,000,000 Modaraba Certificates (June 30, 2017: 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, 2017: 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, 2017: 2,500,000) of Rs.10/- each issued as fully paid as a result of take over	25,000,000	25,000,000
		298,000,000	298,000,000



**SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	<i>(Un-audited)</i> March 31, 2018	<i>(Audited)</i> June 30 2017
	-----Rupees-----	
14. RESERVES		
Statutory reserve	79,253,192	79,253,192
Revenue reserves:		
Unrealized loss on revaluation of investments	(2,195,464)	(470,050)
Accumulated loss	(71,043,328)	(61,614,241)
	(73,238,792)	(62,084,291)
	6,014,400	17,168,901

15. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no known contingency as at March 31, 2018 (June 30, 2017: Nil).

Commitments

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.

Future Ijarah payments payable under these arrangements, as at March 31, 2018 are as follows:

Within one year	1,395,631	1,528,185
After one year but not more than five years	3,041,832	4,124,271
	4,437,463	5,652,456
Disbursement of ijarah to be made	-	10,471,000

	Nine Months ended		Quarter ended	
	March 31	March 31	March 31	March 31
	2018	2017	2018	2017
	-----Rupees-----			

16. OTHER INCOME

Processing, documentation, other fees and charges	224,000	229,000	29,000	90,000
Gain on disposal of fixed assets	719,262	611,501	333,707	305,570
Miscellaneous income	430,910	766,695	135,818	385,118
	1,374,172	1,607,196	498,525	780,688

**SELECTED NOTES TO INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	<i>Nine Months ended</i>		<i>Quarter ended</i>	
	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
<i>Rupees</i>				
17. ADMINISTRATIVE EXPENSES				
Salaries, allowances and other benefits	9,764,970	8,806,821	3,453,395	3,194,473
Legal and professional charges	27,500	398,026	-	73,763
Fees and subscription	2,099,531	2,455,022	914,683	997,917
Electricity, gas and water	621,016	569,197	141,285	148,134
Telephone, postage and courier	707,792	638,645	173,038	213,605
Rent, rate and taxes	1,339,394	1,507,836	441,192	573,754
Printing and stationery	595,404	408,707	138,639	54,624
Traveling and conveyance	298,729	165,991	49,842	33,569
Entertainment	425,738	408,344	113,417	104,881
Insurance	2,251,976	2,912,564	696,431	865,596
Advertisement	107,748	85,878	-	20,390
Auditor remuneration	-	52,500	-	52,500
Vehicle running and maintenance	1,629,776	1,634,366	576,528	526,510
Newspaper and periodicals	16,501	14,865	5,974	4,220
Repairs and maintenance	921,013	812,562	299,424	323,252
Depreciation on own assets	449,092	399,649	155,662	134,744
Bank charges and commission	31,455	21,526	12,575	12,911
Miscellaneous	169,614	126,620	42,681	55,603
Donation	-	50,605	-	50,605
Lease rental expense - vehicles	1,167,372	961,842	360,813	363,456
Sales tax	8,600	10,710	2,800	-
	22,633,221	22,442,276	7,578,379	7,804,507

18. TAXATION

The income of non-trading modarabas is exempt from tax under Clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, provided not less than 90% of its profits after appropriation to statutory reserve as required under Modaraba Regulations is distributed to the certificate holders. The Modaraba has decided to continue availing the tax exemption and hence no provision has been made in these financial statements for tax liabilities for the current period. However, a prior year charge for tax charged on dividend income is recorded.

		<i>Nine Months ended</i>		<i>Quarter ended</i>	
		<i>March 31</i>	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>
		<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
19. EARNINGS PER CERTIFICATE - BASIC & DILUTED					
Profit for the period	Rupees	1,000,913	11,145,963	1,724,346	1,370,592
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	0.03	0.37	0.06	0.05

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 INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	<i>(Un-audited)</i> March 31, 2018	<i>(Un-audited)</i> March 31 2017
	-----Rupees-----	
20. CASH GENERATED FROM OPERATIONS		
(Loss) / Profit before taxation	1,066,913	11,145,623
Adjustments for non-cash and other items:		
- Depreciation:		
- Under ijarah	23,390,034	30,067,623
- In own use	449,092	-
- Gain on disposal of fixed assets	(719,262)	(611,501)
- Profit on long term investments - available-for-sale	(248,239)	(804,112)
- Profit on sale of short term investments - held-for-trading	(221,279)	(2,361,915)
- Profit on sale of long term investments - available-for-sale	(2,013)	(1,110,096)
- Unrealized loss / (gain) on revaluation of held-for-trading investments	962,901	(515,321)
- Dividend income	(427,688)	(372,650)
	23,183,546	24,292,028
	24,250,459	35,437,651
Operating profit before working capital changes		
Decrease / (increase) in current assets		
- Short term investment - net	677,631	(2,285,958)
- Advances, deposits, prepayments and other receivables	2,128,031	(12,202,863)
- Short term murabaha finances	(5,573,858)	(4,367,397)
- Short term musharakah finances	(1,550,000)	200,000
- Ijarah rental receivables	1,123,893	(304,106)
- Stock in trade	(16,710,937)	(5,992,901)
(Decrease) / increase in current liabilities		
- Creditors, accrued and other liabilities	535,229	4,858,828
	(19,370,011)	(20,094,397)
Cash generated from operations	4,880,448	15,343,254

21 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information (un-audited) is authorized for issuance on April 26, 2018 by the Board of Directors of the Management Company.

22 General

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

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

BOOK POST

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