



Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (Private) Limited.

Quarterly REPORT

September 30, 2026



www.trustmodaraba.com

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CORPORATE INFORMATION

MODARABA COMPANY

AL-ZAMIN MODARABA MANAGEMENT (PRIVATE) LIMITED

BOARD OF DIRECTORS

Mr. Mian Sheikh Arshad Farooq	Chairman
Mr. Muhammad Yasin	Chief Executive
Dr. Mrs. Namoos Baquar	Non-Executive Director
Mr. Syed Etrat Hussain Rizvi	Independent Director
Mr. Muhammad Sami Ullah	Independent Director
Mr. Imran Iqbal	Independent Director
Mrs. Kauser Safdar	Non-Executive Director

MANAGEMENT

Mr. Muhammad Yasin	Chief Executive
Ms. Hamida Aqeel	Chief Operating Officer/Company Secretary
Mr. Muhammad Wajid	Chief Financial Officer

AUDIT COMMITTEE

Mr. Syed Etrat Hussain Rizvi	Chairman
Mr. Imran Iqbal	Member
Mr. Muhammad Sami Ullah	Member
Ms. Hamida Aqeel	Secretary, Audit Committee

HUMAN RESOURCE COMMITTEE

Mr. Muhammad Sami Ullah	Chairman
Mr. Muhammad Yasin	Member
Mr. Imran Iqbal	Member
Dr. Mrs. Namoos Baquar	Member
Ms. Hamida Aqeel	Secretary, Human Resource Committee

INTERNAL AUDITORS

Bilal & Co.
Chartered Accountants

AUDITORS OF THE MODARABA

Grant Thornton Anjum Rahman
Chartered Accountants

BANKER

Meezan Bank Limited

LEGAL ADVISORS

Holscott International
S&B Durrani Law Associates

REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi-75600
Telephone: 021-35876651, 35876652, 35873373, 35873369, 35867102
Fax: 021-35870408 Web: trustmodaraba.com
Email: info@trustmodaraba.com

REGIONAL OFFICE

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

REGISTRARS

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

DIRECTOR REPORT

The Board of Directors of Al-Zamin Modaraba Management (Private) Limited, the management company of Trust Modaraba is pleased to present the unaudited financial statements of Trust Modaraba for the quarter ended on 30th September 2026.

ECONOMIC REVIEW

Pakistan's economy continued its transition from stabilization toward a cautious, sustainable recovery. The broader operating environment benefitted from ongoing structural reforms, sustained engagement from IMF and a relatively steady exchange rate which collectively fostered confidence. Macroeconomic stability was reinforced by prudent fiscal policies and a controlled monetary stance, which contributed to deceleration in average CPI inflation. The external sector demonstrated resilience supported by substantial inflows of workers' remittances. In tandem with these monetary reforms, international credit rating upgrades to B3 band and healthy inflows of foreign workers' remittances have provided vital support to the country's external account and foreign exchange reserves.

However, the economic landscape remained exposed to persistent challenges, including elevated domestic energy tariffs, structural liquidity pressures and heightened geopolitical volatility across international markets. Navigating this mix of gradual domestic growth and fluid global dynamics requires a measured operational strategy. In response to the prevailing environment, Trust Modaraba continues to maintain a vigilant, risk-averse stance prioritizing credit quality and Shariah-compliant asset diversification to safeguard certificate holders' interests.

PERFORMANCE REVIEW

Building on the previous fiscal year's cautious deployment framework, your Modaraba maintained a balanced stance to manage asset quality and mitigate macroeconomic risks. The domestic financial landscape continued to witness shifting investor sentiments which required a disciplined strategy across our core financing products and investment portfolio. Your Modaraba's operations remained focused on strengthening asset deployment under Shariah compliant avenues including diminishing musharakah, murabahah and musharakah financing while actively protecting capital against risks specifically emanating from geo political situation.

During the period under consideration, total income of Rs.15.82 million was achieved as compared to Rs.16.85 million of the previous comparable period. The decline of 6% is mainly due to reduction in financing rates and management's cautious lending stance prioritizing capital preservation over aggressive growth. Pakistan Stock Exchange experienced pronounced volatility and selling pressure during the period. Heightened geopolitical uncertainties and concerns surrounding global energy markets directly impacted regional equities driving investors to aggressively lock in profits and trigger a contraction in market liquidity. As a result, not only realization of capital gains was severely restricted, adverse price movements across held portfolios necessitated recording of an unrealized loss of Rs.2.26 million (unrealized gain of Rs.1.0 million during the previous comparable quarter) on the equity portfolio to reflect the fair value adjustments of the securities at the end of the quarter. Operating expenses amounted to Rs.12.31 million depicting an increase of 5%. After accounting for all the expenses, your Modaraba achieved a modest pre tax profit of Rs.1.08 million and after tax profit of Rs. 612,266 for the first quarter ended on 30th September, 2026 with an earnings per certificate of Rs.0.021. Total assets stood at Rs.402.84 million supported with an equity of Rs.360.75 million.

Disbursements during the period under consideration amounted to Rs.33 million to clients having sound repayment capacity and strong financial position. Predominant mode of financing remained diminishing musharakah mainly for vehicle financing.

Going forward, your management will continue to keep a vigilant watch on the geopolitical dynamics to keep its operations aligned with the emerging financial landscape. For the remaining quarters of the financial year 2026-27, your management will keep its focus on the following parameters.

- Selectively deploy its funds into low risk corporate and retail clients via Diminishing Musharakah.
- Prudently balance capital market investments to counter unrealized shifts driven by regional or macro-economic fluctuations.
- Accelerate recoveries from legacy portfolios to boost cash flows and maintain minimum provisioning burden.

EARNINGS PER CERTIFICATE

Earnings per certificate of your Modaraba works out to Rs.0.021 for the period ended on 30th September, 2026.

Your management is committed to make every possible effort to achieve structural soundness needed to secure consistent and stable returns for the benefit of all the stakeholders.

For and on behalf of Trust Modaraba


DIRECTOR


CHIEF EXECUTIVE

29th October, 2026

الضامن مضاربہ بینفٹمنٹ (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز، جو ٹرسٹ مضاربہ کی انتظامی کپنی ہے، 30 ستمبر 2026 کو ختم ہونے والی سہ ماہی کے لیے ٹرسٹ مضاربہ کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

معاشی جائزہ

پاکستان کی معیشت استحکام سے محتاط اور پائیدار بحالی کی جانب اپنے سفر پر گامزن رہی۔ جاری ساختی اصلاحات، آئی ایم ایف کے ساتھ مسلسل روابط اور شرح تبادلہ میں نسبتاً استحکام سے مجموعی کاروباری ماحول کو تقویت ملی، جس نے مجموعی طور پر اعتماد کو فروغ دیا۔ محتاط مالیاتی پالیسیوں اور کنٹرول شدہ زری موقف نے معاشی استحکام کو مضبوط کیا، جس کے نتیجے میں اوسط صارف قیمت اشاریہ (CPI) پر مبنی منگائی میں کمی آئی۔ بیرونی شعبے نے کارکنوں کی ترسیلات زر کی خاطر خواہ آمد کے سہارے ٹیک کا مظاہرہ کیا۔ ان زری اصلاحات کے ساتھ ساتھ B3 درجے تک بین الاقوامی کریڈٹ رینٹنگ میں بہتری اور بیرون ملک کارکنوں کی ترسیلات زر کی مستحکم آمد نے ملک کے بیرونی کھاتے اور زرمبادلہ کے ذخائر کو اہم سہارا فراہم کیا۔

تاہم، معاشی منظرنامہ بدستور مسلسل چیلنجز کی زد میں رہا، جن میں مقامی توانائی کے بلند نرخ، ساختی سیالیت کا دباؤ اور بین الاقوامی منڈیوں میں جغرافیائی و سیاسی عدم استحکام کی شدت شامل ہیں۔ تدریجی ملکی ترقی اور متغیر عالمی حرکیات کے اس امتزاج سے نکلنے کے لیے ایک سوچی سمجھی عملی حکمت عملی درکار ہے۔ موجودہ ماحول کے پیش نظر، ٹرسٹ مضاربہ سرٹیفیکٹ ہولڈرز کے مفادات کے تحفظ کے لیے خطرات سے گریز پر مبنی چوکس موقف برقرار رکھے ہوئے ہے، جس میں کریڈٹ کے معیار اور شریعت سے ہم آہنگ اثاثوں کے تنوع کو ترجیح دی جاتی ہے۔

کارکنوں کا جائزہ

گزشتہ مالی سال کے محتاط تعیناتی کے فریم ورک کو آگے بڑھاتے ہوئے، آپ کے مضاربہ نے اثاثوں کے معیار کو سنبھالنے اور معاشی خطرات کو کم کرنے کے لیے متوازن موقف اختیار کیا رکھا۔ ملکی مالیاتی منظرنامے میں سرمایہ کاروں کے رجحانات میں تبدیلیاں جاری رہیں، جس کے لیے ہماری بنیادی فنانسنگ مصنوعات اور سرمایہ کاری پورٹ فولیو میں نظم و ضبط پر مبنی حکمت عملی ضروری تھی۔ آپ کے مضاربہ کی سرگرمیاں شریعت سے ہم آہنگ ذرائع، یعنی ڈسٹنگ مشاکرہ، مراحمہ اور مشاکرہ فنانسنگ، کے تحت اثاثوں کی تعیناتی کو مضبوط بنانے پر مرکوز رہیں، جبکہ خصوصاً جغرافیائی و سیاسی صورتحال سے پیدا ہونے والے خطرات کے مقابلے میں سرمایہ کا فعال تحفظ کیا گیا۔

زیر جائزہ مدت کے دوران 15.82 ملین روپے کی مجموعی آمدنی حاصل ہوئی، جبکہ گزشتہ مہاشل مدت میں یہ 16.85 ملین روپے تھی۔ 6 فیصد کی یہ کمی بنیادی طور پر فنانسنگ کی شرحوں میں کمی اور انتظامیہ کے محتاط قرض دینے کے موقف کی وجہ سے ہے، جس میں چارجز نو پر سرمایہ کے تحفظ کو ترجیح دی گئی۔ پاکستان اسٹاک ایکسچینج میں اس مدت کے دوران نمایاں اتار چڑھاؤ اور فروخت کا دباؤ رہا۔ برصغیر ہونے جغرافیائی و سیاسی غیر یقینی صورتحال اور عالمی توانائی منڈیوں سے متعلق غرضات نے علاقائی ایکویٹیز کو براہ راست متاثر کیا، جس کے باعث سرمایہ کاروں نے شدت سے منافع سمینا اور منڈی کی سیالیت میں کمی واقع ہوئی۔ نتیجتاً، نہ صرف سرمایہ کے منافع کی وصولی شدید طور پر محدود رہی، بلکہ رکھے گئے پورٹ فولیو میں قیمتوں کی منفی نقل و حرکت کے باعث سہ ماہی کے اختتام پر سیکویٹیز کی متصفانہ قدر میں ایڈجسٹمنٹ ظاہر کرنے کے لیے ایکویٹی پورٹ فولیو پر 2.26 ملین روپے کا غیر حاصل شدہ نقصان (گزشتہ مہاشل سہ ماہی میں 1.0 ملین روپے کا غیر حاصل شدہ منافع) ریکارڈ کرنا پڑا۔ آپریٹنگ اخراجات 12.31 ملین روپے رہے جو 5 فیصد اضافے کو ظاہر کرتے ہیں۔ تمام اخراجات کے بعد آپ کے مضاربہ نے 30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی کے لیے 1.08 ملین روپے کا معمولی قبل از ٹیکس منافع اور 612,266 روپے کا بعد از ٹیکس منافع حاصل کیا، جس سے فی سرٹیفیکٹ آمدنی 0.021 روپے رہی۔ کل اثاثے 402.84 ملین روپے رہے، جنہیں 360.75 ملین روپے کی ایکویٹی کا سہارا حاصل ہے۔

زیر جائزہ مدت کے دوران ایسے کلائنٹس کو 33 ملین روپے تقسیم کیے گئے جو ادائیگی کی مضبوط صلاحیت اور مستحکم مالی حیثیت رکھتے ہیں۔ فنانسنگ کا غالب طریقہ ڈسٹنگ مشاکرہ رہا، جو بنیادی طور پر گارنٹوں کی فنانسنگ کے لیے تھا۔

آگے چل کر، آپ کی انتظامیہ جغرافیائی و سیاسی حرکیات پر چوکس نظر رکھے گی تاکہ اپنی سرگرمیوں کو ابھرتے ہوئے مالیاتی منظرنامے سے ہم آہنگ رکھ سکے۔ مالی سال 2026-27 کی بقیہ سہ ماہیوں کے لیے آپ کی انتظامیہ درج ذیل امور پر توجہ مرکوز رکھے گی:

- ڈسٹنگ مشاکرہ کے ذریعے کم خطرے والے کارپورٹ اور ریٹیل کلائنٹس میں منتخب طور پر فنڈز تعینات کرنا۔
- علاقائی یا معاشی اتار چڑھاؤ سے پیدا ہونے والی غیر حاصل شدہ تبدیلیوں کا مقابلہ کرنے کے لیے کیپٹل مارکیٹ کی سرمایہ کاری میں محتاط توازن رکھنا۔
- نقد ہماؤ بڑھانے اور پروڈکٹنگ کا بوجھ کم سے کم کھٹنے کے لیے پرانے پورٹ فولیو سے وصولیوں میں تیزی لانا۔

فی سرٹیفیکٹ آمدنی

30 ستمبر 2026 کو ختم ہونے والی مدت کے لیے آپ کے مضاربہ کی فی سرٹیفیکٹ آمدنی 0.021 روپے بنتی ہے۔ آپ کی انتظامیہ تمام اسٹیک ہولڈرز کے فائدے کے لیے مستقل اور مستحکم منافع کو یقینی بنانے کے لیے درکار ساختی مضبوطی حاصل کرنے کی ہر ممکن کوشش کے لیے پرعزم ہے۔

ڈائریکٹر
چیف ایکویٹی

ٹرسٹ مضاربہ کی جانب سے اور اس کے لیے

29 اکتوبر 2026

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2026

		(Un-audited) 30-Sep-26	(Audited) 30-Jun-26
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Fixed assets in own use	3	28,104,112	24,768,034
Intangible asset	4	100,226	178,727
Ijarah assets	5	11,315,132	13,309,135
Murabaha finances - secured	6	3,832,342	2,268,603
Diminishing musharakah financing - secured	7	118,407,780	120,925,099
Long term deposits		189,662	189,662
Deferred taxation - net	8	2,675,503	2,171,118
Total non-current assets		164,624,757	163,810,378
Current assets			
Current portion of long term murabaha finances - secured	6	32,795,386	33,129,755
Current portion of diminishing musharakah finances - secured	7	81,909,340	85,340,652
Short term murabaha finances - secured	9	25,360,000	25,360,000
Ijarah rental receivables - secured		1,732,753	1,731,915
Musharakah finances - secured	10	32,905,330	30,835,330
Short term investments	11	38,755,256	42,773,801
Short term deposit		105,000	105,000
Tax refundable		4,532,518	4,809,809
Advances, prepayments and other receivables	12	11,232,824	10,772,380
Cash and bank balances		8,886,168	6,855,659
Total current assets		238,214,575	241,714,301
Total assets		402,839,332	405,524,679
EQUITY AND LIABILITIES			
LIABILITIES			
Non-current liabilities			
Deferred income on murabaha		908,680	136,494
Customers' long term security deposits		-	220,000
Lease liabilities against right of use assets		8,150,697	5,231,215
Total non-current liabilities		9,059,377	5,587,709
Current liabilities			
Current portion of deferred income on murabaha		1,120,843	873,002
Current portion of customers' long term security deposits		9,597,918	9,647,168
Current portion of lease liabilities against right of use assets		2,611,662	2,510,492
Loan from Director		-	5,000,000
Unclaimed profit distributions		13,638,638	13,638,638
Creditors, accrued and other liabilities	13	6,007,000	8,104,316
Charity payable		56,807	28,533
Total current liabilities		33,032,868	39,802,149
Total liabilities		42,092,245	45,389,858
NET ASSETS		360,747,087	360,134,821
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital		298,000,000	298,000,000
Reserves		62,747,087	62,134,821
Certificate holders' equity		360,747,087	360,134,821
Contingencies and commitments	14		

The annexed notes from 1 to 22 form an integral part of these financial statements.

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


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Note	September 2026 -----Rupees-----	September 2025
Income from ijarah - net	15	692,778	1,124,726
Profit on murabaha finances		475,772	707,717
Profit on diminishing musharakah finances		10,017,422	11,618,360
Profit on musharakah finances		1,618,838	1,195,309
Dividend income on equity investments		604,900	-
Gain on disposal of short term investments		342,727	1,778,787
Other income	16	2,068,847	427,499
		<u>15,821,284</u>	<u>16,852,398</u>
Unrealized (loss)/gain on revaluation of financial assets at fair value through profit or loss		(2,262,657)	998,511
		<u>13,558,627</u>	<u>17,850,909</u>
Operating expenses	17	(12,311,327)	(11,710,770)
		<u>1,247,300</u>	<u>6,140,139</u>
Modaraba Management Company's remuneration		(124,730)	(614,014)
Services sales tax on Management Company's remuneration		(18,710)	(92,102)
Sindh Workers' Welfare Fund		(22,077)	(108,680)
Profit before levy and taxation		<u>1,081,783</u>	<u>5,325,343</u>
Levy		(88,485)	-
Profit before taxation		<u>993,298</u>	<u>5,325,343</u>
Taxation	18	(381,032)	(1,544,349)
Profit for the period after taxation		<u>612,266</u>	<u>3,780,994</u>
Earnings per certificate - basic and diluted		<u>0.021</u>	<u>0.127</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.

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 QUARTER ENDED SEPTEMBER 30, 2026

	September 2026	September 2025
	-----Rupees-----	
Profit for the period after taxation	612,266	3,780,994
Other comprehensive income :		
<i>Items that will not be reclassified to profit and loss account</i>		
Net change in fair value of investments classified as fair value through other comprehensive income - net of tax	-	-
<i>Items that may be reclassified subsequently to profit and loss account</i>	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	612,266	3,780,994

The annexed notes from 1 to 22 form an integral part of these financial statements.

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


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

Particulars	Certificate capital	Capital reserves	Revenue reserves		Total reserves	Certificate holders' equity
		Statutory reserve	Accumulated losses			
----- (Rupees) -----						
Balance as at June 30, 2025	298,000,000	91,634,768	(40,878,821)		50,755,947	348,755,947
Net profit for the period	-	-	3,780,994		3,780,994	3,780,994
Other comprehensive income for the period	-	-	-		-	-
Total comprehensive income for the period	-	-	3,780,994		3,780,994	3,780,994
Balance as at September 30, 2025	298,000,000	91,634,768	(37,097,827)		54,536,941	352,536,941
Balance as at June 30, 2026	298,000,000	93,910,543	(31,775,722)		62,134,821	360,134,821
Net profit for the period	-	-	612,266		612,266	612,266
Other comprehensive income for the period	-	-	-		-	-
Total comprehensive income for the period	-	-	612,266		612,266	612,266
Balance as at September 30, 2026	298,000,000	93,910,543	(31,163,456)		62,747,087	360,747,087

The annexed notes from 1 to 22 form an integral part of these financial statements.

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


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

		September 2026	September 2025
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Cash generated from operations			
Cash generated from operations	20	(533,095)	(7,703,361)
<i>(Increase) / decrease in non-current assets:</i>			
Long term murabaha finances		(1,229,370)	3,433,237
Long term musharakah finances		5,948,631	7,970,657
<i>(Decrease) / increase in non-current liabilities:</i>			
Deferred income on murabaha		1,020,027	(707,717)
		5,739,288	10,696,177
Income tax paid / deducted		(696,612)	(1,165,771)
Net cash generated from operating activities		4,509,581	1,827,045
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of owned assets		(129,800)	(142,857)
Contribution to assets acquired on lease		(1,683,190)	-
Proceeds from disposal of owned assets		2,100,000	-
Proceeds from disposal of ijarah assets		-	197,557
(Purchase)/disposal of investments		3,082,336	(735,477)
Dividends received		589,900	-
Net cash (used in)/generated from investing activities		3,959,246	(680,777)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment made against lease liability		(1,438,318)	(1,358,874)
Profit distributed to certificate holders		-	-
Proceeds from loan from Director		(5,000,000)	-
Net cash used in financing activities		(6,438,318)	(1,358,874)
Net decrease in cash and cash equivalents		2,030,509	(212,606)
Cash and cash equivalents at the beginning of the year		6,855,659	9,066,363
Cash and cash equivalents at the end of the period		8,886,168	8,853,757

The annexed notes from 1 to 22 form an integral part of these 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 QUARTER ENDED SEPTEMBER 30, 2026

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 being managed by Al-Zamin Modaraba Management (Private) Limited (AZMML). The Modaraba commenced its business operations on November 12, 1991.

The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabaha, Musharakah and Ijarah arrangement, investment in marketable securities, trading and other permissible businesses. The affairs, activities and transactions, performed by the modaraba during the year comply with the rules and principles of Islamic Sharia in the light of guidance and directives given by sharia advisor and are in accordance with the guideline issued by advisor of the registrar modaraba, SECP.

The principal place of business and registered office is located at 104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi - 75600 whereas regional office is located at 320, 3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore.

The VIS Credit Rating Company Limited has maintained long term rating of BBB+ and short term rating of A-2 to the Modaraba. Outlook on the assigned rating is 'Stable'.

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 by securities and exchange commission of Pakistan (SECP), requirement of Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021 and Companies Act, 2017.

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 These condensed interim financial statements should be read in conjunction with annual audited financial statements for the year ended June 30, 2026. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2026 whereas comparative statement profit and loss, comparative statement of comprehensive income, comparative cash flows statement and comparative statement of changes in equity are extracted from unaudited interim financial statements for the quarter ended September 30, 2025.

2.3 These condensed interim financial statements are unaudited.

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, 2026.

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.

2.6 Initial application of standards, amendments or interpretations to existing standards

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended 30 June 2026. Amendments to published standards that became effective during the period did not have any material impact on the Modaraba's financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

		(Un-audited) September 30, 2026	(Audited) June 30, 2026
		-----Rupees-----	
3	FIXED ASSETS IN OWN USE		
	Fixed assets in own use	3.1 16,660,970	17,023,654
	Right of use assets	3.2 11,443,142	7,744,380
		<u>28,104,112</u>	<u>24,768,034</u>
3.1	Fixed assets in own use		
	Opening written down value	17,023,654	13,719,220
	Additions during the period / year	129,800	4,648,592
	Disposals during the period / year	(173,550)	(19,752)
		<u>16,979,904</u>	<u>18,348,060</u>
	Depreciation charge for the period / year	(318,934)	(1,324,406)
		<u>16,660,970</u>	<u>17,023,654</u>
3.2	Right of use assets		
	Opening written down value	7,744,380	10,839,957
	Additions during the period / year	4,766,190	914,000
		<u>12,510,570</u>	<u>11,753,957</u>
	Depreciation charge for the period / year	(1,067,428)	(4,009,577)
	Closing balance	<u>11,443,142</u>	<u>7,744,380</u>
4	INTANGIBLE ASSET		
	Cost		
	Balance at beginning of the year	2,272,000	2,272,000
	Closing balance	2,272,000	2,272,000
	Accumulated amortisation		
	Balance at beginning of the year	2,093,273	1,730,388
	Charged during the period	78,501	362,885
	Closing balance	<u>2,171,774</u>	<u>2,093,273</u>
	Written down value	<u>100,226</u>	<u>178,727</u>
	Rate %	<u>33%</u>	<u>33%</u>
5	FIXED ASSETS GIVEN ON LEASE/IJARAH - TANGIBLE	Note	
	Operating fixed assets given on lease (ijarah) - tangible	5.1 11,315,132	13,309,135
5.1	Operating fixed assets given on lease (ijarah) - tangible		
	Opening written down value	13,309,135	31,484,676
	Disposals during the period / year	(269,250)	(9,113,245)
		<u>13,039,885</u>	<u>22,371,431</u>
	Depreciation charge for the period / year	(1,724,753)	(9,062,296)
		<u>11,315,132</u>	<u>13,309,135</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	(Un-audited) 30-Sep-26	(Audited) 30-Jun-26
6 MURABAHA FINANCES - SECURED		
Considered good	9,176,387	7,311,895
Considered doubtful	33,272,029	33,907,151
Provision for doubtful long term murabaha finances	(5,820,688)	(5,820,688)
	<u>36,627,728</u>	<u>35,398,358</u>
Current portion	(32,795,386)	(33,129,755)
Non-current portion	<u>3,832,342</u>	<u>2,268,603</u>
7 DIMINISHING MUSHARAKAH FINANCING - SECURED		
Considered good	195,203,745	202,073,184
Considered doubtful	9,255,490	8,334,682
Provision for Diminishing Musharakah finances	(4,142,115)	(4,142,115)
	<u>200,317,120</u>	<u>206,265,751</u>
Current portion	(81,909,340)	(85,340,652)
Non-current portion	<u>118,407,780</u>	<u>120,925,099</u>
8 DEFERRED TAXATION		
Taxable / (deductible) temporary difference in respect of:		
Accelerated tax depreciation on fixed assets and Ijarah assets	1,264,196	1,344,157
Accelerated tax amortization on intangible assets	25,441	37,331
Right of use assets	3,318,511	2,245,870
Provision for short term Murabaha finances	(5,800)	(5,800)
Suspended ijarah income - considered doubtful	(951,449)	-
Provision for doubtful Ijarah rental receivables	-	(706,834)
Provision for doubtful Murabaha finances	(838,817)	(838,817)
Provision for short term Musharakah finances	(91,254)	(91,254)
Provision for Diminishing Musharakah finances	(1,201,213)	(1,201,213)
Unrealized loss on revaluation of financial assets at fair value through profit or loss	(1,074,034)	(709,463)
Lease liabilities against right of use assets	(3,121,084)	(2,245,095)
	<u>(2,675,503)</u>	<u>(2,171,118)</u>
9 SHORT TERM MURABAHA FINANCES - SECURED		
Considered good	-	-
Considered doubtful		
- Regular parties	-	-
- Parties under litigation	33,800,000	33,800,000
	<u>33,800,000</u>	<u>33,800,000</u>
Provision for doubtful long term murabaha finances	(8,420,000)	(8,420,000)
Suspended income	(20,000)	(20,000)
	<u>25,360,000</u>	<u>25,360,000</u>
10 MUSHARAKAH FINANCES - SECURED		
Considered good	33,220,000	31,150,000
Provision for Musharakah finances	(314,670)	(314,670)
	<u>32,905,330</u>	<u>30,835,330</u>
11 SHORT TERM INVESTMENTS		
Financial assets at fair value through profit or loss:		
Alfalah Islamic Amdani Fund (AIRAF)	5,046,531	10,018,021
Shares of listed companies	33,708,725	32,755,780
	<u>38,755,256</u>	<u>42,773,801</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026

11.1 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	September 30, 2026		June 30, 2026	
September 2026	June 2026		Average Cost	Market Value	Average Cost	Market Value
-----Rupees-----						
CEMENT						
3,000	1,500	Lucky Cement Limited	1,397,156	1,245,570	703,962	704,280
2,000	-	D. G. Khan Cement	433,547	384,900	-	-
5,000	-	Kohat Cement	494,460	448,450	-	-
10,000	-	Maple Leaf Cement Compnay Limited	1,010,240	931,600	-	-
			3,335,403	3,010,520	703,962	704,280
OIL & GAS MARKETING COMPANIES						
20,000	20,000	Pakistan State Oil Company Limited	7,991,713	7,023,600	7,991,713	6,847,000
			7,991,713	7,023,600	7,991,713	6,847,000
OIL & GAS EXPLORATION COMPANIES						
12,500	12,000	Mari Energies Limited	8,566,627	7,921,625	8,249,883	8,091,480
			8,566,627	7,921,625	8,249,883	8,091,480
FERTILIZER						
4,000	2,000	Fauji Fertilizer Company Limited	2,252,038	2,164,080	1,133,111	1,146,960
1,000	-	Fatima Fertilizer Company Limited	166,286	147,380	-	-
			2,418,324	2,311,460	1,133,111	1,146,960
REFINERY						
-	3,000	National Refinery Limited	-	-	1,143,609	1,087,470
			-	-	1,143,609	1,087,470
FOOD & PERSONAL CARE PRODUCTS						
25,000	25,000	Fauji Foods Limited	498,005	368,000	498,005	447,000
			498,005	368,000	498,005	447,000
LEATHER & TANNERIES						
12,000	1,000	Service GlobalFootwear Limited	1,425,274	1,306,920	123,212	121,920
			1,425,274	1,306,920	123,212	121,920
PHARMACEUTICALS						
35,000	35,000	Citi Pharma Limited	3,047,699	2,561,650	3,047,699	2,725,450
			3,047,699	2,561,650	3,047,699	2,725,450
TECHNOLOGY & COMMUNICATION						
85,000	85,000	Octopus Digital Limited	4,476,961	2,389,350	4,476,961	2,920,600
			4,476,961	2,389,350	4,476,961	2,920,600
CHEMICALS						
25,000	25,000	Engro Polymer & Chemical Limited	906,893	818,000	906,893	845,250
			906,893	818,000	906,893	845,250
TRANSPORT						
60,000	50,000	Pakistan International Bulk Terminal	1,209,148	880,800	1,036,803	954,000
			1,209,148	880,800	1,036,803	954,000
COMMERCIAL BANKS						
205,000	205,000	Bank Islami Pakistan Limited	6,992,908	5,116,800	6,992,908	5,537,050
-	2,000	Meezan Bank Limited	-	-	1,029,623	1,032,920
			6,992,908	5,116,800	8,022,531	6,569,970
PROPERTY						
-	2,000	Javedan Corporation Limited	-	-	297,613	294,400
			-	-	297,613	294,400
			40,868,955	33,708,725	37,631,995	32,755,780

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2026

		(Un-audited) September 30, 2026	(Audited) June 30, 2026
	Note	-----Rupees-----	
12 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Loans to / receivable from employees - considered good		30,000	45,000
Prepayments		3,851,887	4,513,249
Accrued profit (secured - considered good)		4,773,357	3,512,991
Legal suits' charges receivable (secured - considered good)	12.1	2,178,106	2,178,106
Sundry receivables (unsecured - considered good)		399,474	523,034
		<u>11,232,824</u>	<u>10,772,380</u>

12.1 Legal suits' charges receivable

Opening balance	2,671,976	2,723,002
Expenses incurred		97,500
Write off due to settlement	-	(148,526)
Gross amount	2,671,976	2,671,976
Allowance for doubtful legal suits' charges receivables	(493,870)	(493,870)
	<u>2,178,106</u>	<u>2,178,106</u>

13 CREDITORS, ACCRUED AND OTHER LIABILITIES

Payable to Modaraba Management Company (Related party)	124,730	1,724,950
Provision for Workers' Welfare Fund	72,040	355,279
Accrued expenses	1,408,863	1,753,303
Other liabilities	1,241,549	1,129,676
Sales tax on management fee payable	3,159,818	3,141,108
	<u>6,007,000</u>	<u>8,104,316</u>

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 The Assistant Commissioner Inland Revenue (ACIR) issued an order dated June 22, 2022 under Section 161/205 of the Income Tax Ordinance, 2001 for tax year 2016, creating a demand of Rs. 1,038,285 along with default surcharge of Rs. 809,862, aggregating to Rs. 1,848,148. The Modaraba filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on July 16, 2022. The CIR(A) vide order dated December 15, 2022 confirmed the tax demand under Section 161 and remanded the matter back to the ACIR only on the issue of default surcharge under Section 205 with directions to delete the same if refunds were available.

Being aggrieved by the CIR(A) order, the Modaraba filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which vide order dated January 23, 2023 (ITA No. 6431/LB/2022) set aside the CIR(A) order and remanded the entire matter back to the Officer of Inland Revenue (OIR) with directions to follow the criteria laid down by the Hon'ble Lahore High Court in the case of Pepsi Cola International (Pvt.) Limited vs. Federation of Pakistan (W.P No. 81107 of 2021 dated April 1, 2022) for invoking provisions of Section 161 of the Ordinance.

Pursuant to the ATIR remand order, the OIR issued a fresh notice under Section 161(1A) read with Section 124 of the Ordinance dated January 05, 2026, fixing the case for hearing on January 12, 2026. The Modaraba requested an adjournment vide letter dated January 12, 2026, which was granted, and the matter is now pending before the OIR for re-adjudication. The management, based on legal advice, expects a favorable outcome in light of the ATIR order and the criteria laid down by the Hon'ble Lahore High Court.

14.1.2 The Deputy Commissioner Inland Revenue (DCIR) issued an order dated 31 August 2021 under Section 122(1) of the Income Tax Ordinance, 2001 for Tax Year 2016, creating a demand of Rs. 5,776,892. The Modaraba appealed against the order, and the Commissioner Inland Revenue (Appeals) [CIR(A)] initially remanded the matter on 24 January 2022. Pursuant thereto, the DCIR passed a fresh order dated 24 June 2024 under Sections 122(4) and 124, again creating a demand of Rs. 5,776,892, against which the Modaraba filed an appeal on 5 July 2024.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026

During the year, the CIR(A), vide order dated 7 July 2025, annulled the reassessment order on grounds including procedural violations, non-service of statutory notices, denial of reasonable opportunity of hearing and arbitrary/non-speaking disallowances, and remanded the matter to the OIR for fresh adjudication with directions to ensure proper service of notices, provide three clear opportunities of 15 days each and pass a speaking order after considering the taxpayer's submissions. As at 30 June 2026, the matter remains pending before the OIR for re-adjudication. Based on consultation with its tax advisor, management expects a favourable outcome.

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

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

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

Regarding stamp duty on promissory notes under Section 2(22) of Article 28 of the Stamp Act, 1899, management has acknowledged the applicability of the requirement and recognized a provision of Rs. 145,800 for the period from 1 July 2022 to 30 June 2024. Subsequently, the Modaraba discontinued the use of promissory notes.

14.1.5 The Modaraba has filed refund applications under Section 170 of the Income Tax Ordinance, 2001 for Tax Years 2015 and 2017 amounting to Rs. 815,420 and Rs. 703,765, respectively. For Tax Year 2017, the DCIR rejected the refund claim vide order dated 27 February 2026. The taxpayer appealed against the order, and the CIR(A), vide order dated 28 April 2026, remanded the matter to the DCIR for re-adjudication after scrutiny of the submitted record and provision of a reasonable opportunity of hearing. As at 30 September 2026, the matter remains pending before the DCIR.

14.2 Commitments

	September 30, 2026	June 30, 2026
Disbursement of Ijarah / Murabaha /		
Musharakah to be made to customers		
	-----Rupees-----	
		2,000,000

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

		(Un-audited) September 30 2,026	(Un-audited) September 30 2025
15	INCOME FROM IJARAH - NET		
	Income from leasing and Ijarah operations	2,596,350	4,280,231
	Less: Depreciation on fixed assets given on ijarah	(1,724,753)	(2,864,331)
	Less: Insurance on ijarah assets	(178,819)	(291,174)
		<u>692,778</u>	<u>1,124,726</u>
16	OTHER INCOME		
	Gain on disposal of ijarah assets	-	71,557
	Gain on disposal of owned fixed assets	1,926,450	-
	Profit on deposit and saving accounts with banks	16,715	19,254
	Miscellaneous income	125,682	336,688
		<u>2,068,847</u>	<u>427,499</u>
17	OPERATING EXPENSES		
	Salaries, allowances and other benefits	5,807,497	5,534,055
	Vehicle running	1,125,050	782,951
	Fees and subscription	1,107,112	813,130
	Depreciation on right of use assets	1,067,428	990,474
	Unwinding of lease liabilities	495,736	618,819
	Repairs and maintenance	475,580	773,336
	Telephone, postage and courier	455,714	394,017
	Rent, rates and taxes	347,400	352,065
	Depreciation on own assets	318,933	260,393
	Electricity, gas and water	310,366	359,845
	Legal and professional charges	195,000	230,000
	Miscellaneous	188,663	36,710
	Printing and stationery	127,956	125,945
	Office supply	124,853	178,911
	Amortization of intangible assets	78,501	101,832
	Insurance	71,803	44,655
	Bank charges and commission	10,235	13,542
	Traveling and conveyance	3,500	-
	Entertainment	-	79,800
	Sales tax	-	20,290
		<u>12,311,327</u>	<u>11,710,770</u>
		(Un-audited) September 30 2026	(Un-audited) September 30 2025
18	TAXATION		
	Current tax expense for the year	885,417	1,544,349
	Deferred tax	(504,385)	-
		<u>381,032</u>	<u>1,544,349</u>
19	EARNING PER CERTIFICATE - BASIC AND DILUTED		
	Profit for the period	Rupees <u>612,266</u>	<u>3,780,994</u>
	Weighted average number of certificates	Number <u>29,800,000</u>	<u>29,800,000</u>
	Earnings per certificate	Rupees <u>0.021</u>	<u>0.127</u>

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2026

20 CASH GENERATED FROM OPERATIONS

Profit before taxation	993,298	5,325,343
Adjustments for non-cash and other items:		
- Depreciation:		
Under ijarah	1,724,753	2,864,331
In own use	318,933	260,394
Right of use assets	1,067,428	990,474
Amortization of intangible assets	78,501	101,832
- (Gain) / loss on disposal own assets	(1,926,450)	-
- (Gain) / loss on disposal ijarah assets	-	(71,557)
- (Gain) / Loss on sale of short term investment	(342,727)	(1,778,787)
- Unrealized (gain)/loss on revaluation of held for trading investment	2,262,657	(998,511)
- Unwinding for lease liabilities	495,736	618,819
- Workers' Welfare Fund	22,077	108,680
- Dividend income	(604,900)	-
	3,096,008	2,095,675
Operating profit before working capital changes	4,089,306	7,421,018
Decrease / (increase) in current assets		
- Advances, deposits, prepayments and other receivables	(460,444)	(1,714,305)
- Short term musharakah finances	(2,070,000)	(11,000,000)
- Ijarah rental receivables	(838)	(649,989)
Increase / (decrease) in current liabilities		
- Charity payable	28,274	(80,784)
- Creditors, accrued and other liabilities	(2,119,393)	(1,679,301)
	(4,622,401)	(15,124,379)
Cash generated from operations	(533,095)	(7,703,361)

21 TRANSACTION WITH RELATED PARTIES

Transactions during the period

Related party	Relationship	Nature of transaction	(Un-audited) September 30 2026	(Un-audited) September 30 2,025
-----Rupees-----				
Al-Zamin Modaraba Management (Private) Limited	Modaraba Management Company	Management fee	124,730	614,014
		Office rent	302,400	288,000
Etrat Hussain Rizvi	Director	Loan paid to Etrat Hussain Rizvi	5,000,000	-
Employees' Provident Fund	Associated undertaking	Contribution for the period	317,467	276,146

Outstanding Balance as at the period end

		(Un-audited) September 30 2026	(Audited) June 30, 2,026
-----Rupees-----			
Al-Zamin Modaraba Management (Private) Limited	Payable against management fee	124,730	1,724,950
Director	Loan payable to Etrat Hussain Rizvi	-	5,000,000
Executives	Payable to Ather Imam Vice President	46,000	46,000
Executives	Payable to Hamida Aqeel Company Secretary	620,000	620,000

22 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved for issue by the Board of Directors of the Management company in their meeting held on 29th October, 2026.

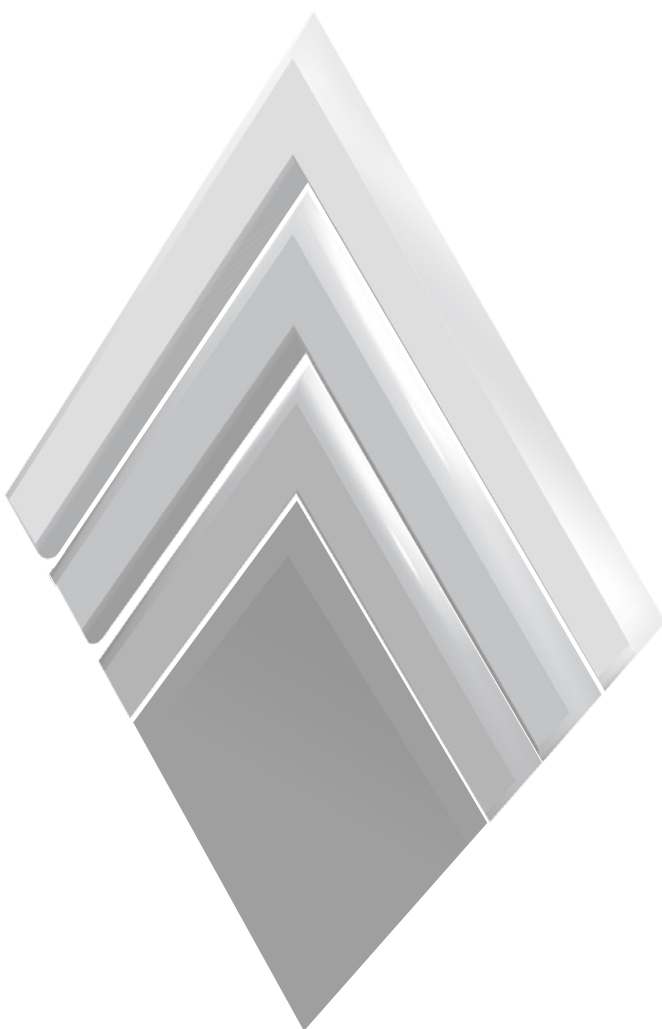
For Al-Zamin Modaraba Management (Private) Limited
(Modaraba Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER





KARACHI

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