

BOOK POST

Quarterly Report
September 30, 2009

Ijarah

Murabaha

Musharaka

Equities

Trading



TRUST
MODARABA



2nd Floor, FB-II, Awami Complex, 1-4 Usman Block,
New Garden Town, Lahore
Tel: (042) 5940347 - 8 Fax: (042) 5866513

Managed by Al-Zāmin Modaraba Management (Private) Limited



CORPORATE INFORMATION

Modaraba Company

Al-Zamin Modaraba Management (Private) Limited

Board of Directors

Mr. Zafar Iqbal	Chairman
Mr. Basheer Ahmed Chowdry	Chief Executive
Mr. Manzoor Hussain Shah Kazmi	Director
Mr. Shaikh Arshad Farooq	Director
Mr. Mohammad Imranul Haque	Director
Mr. Najib Amanullah	Director
Dr. Namoos Baquar	Director
Mr. Sohail Ansar	Director
Mr. Muhammad Kamal Abdul Nasir	Director
Mr. Afzal Rashid	Director
Mr. Muhammad Zahid (Nominee of Zahidjee Fabrics (Pvt) Ltd.)	Director
Mr. Rashid Ahmed (Nominee of National Investment Trust)	Director
Mr. Anis Wahab Zuberi (Nominee of National Investment Trust)	Director

Management

Mr. Basheer Ahmed Chowdry	Chief Executive
Mr. Mohammad Naeem Baig	Chief Operating Officer
Mr. Ijaz Ahmed Khan	Chief Financial Officer
Ms. Hamida Aqeel	Company Secretary
Ms. Roomana Nasir	Advisor

Audit Committee

Mr. Anis Wahab Zuberi	Chairman
Mr. Sohail Ansar	Member
Mr. Muhammad Kamal Abdul Nasir	Member
Ms. Hamida Aqeel	Secretary

Head of Internal Audit

Mr. Zia Khalid

Auditors of the Modaraba

Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants

Bankers

The Bank of Punjab
Bank Alfalah Limited – Islamic Banking
Meezan Bank Limited

Legal Advisors

Irfan and Irfan, Attorneys at Law

Registered Office

104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi-75600.
Telephone : 5876651, 5876652, 5371725, 5873373, 5867102, 5374474, 111-111-303
Fax : 5870408, 5838304, 5837586 Web : www.alzamin.com.pk

Principal Place of Business

2nd Floor, FB-II, Awami Complex, 1-4 Usman Block, New Garden Town, Lahore
Tel: (042) 5940347 - 8 Fax: (042) 5866513

Registrars

Hameed Majeed Associates (Private) Limited
1st Floor, H.M. House, 7-Bank Square, Lahore Telephone : (042) 7235081-2 Fax : (042) 7358817



NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	30 September 2009	30 June 2009
	Rupees (Un-Audited)	Rupees (Audited)
7.2 Operating assets in own use - tangible		
Opening book value	13,235,788	11,554,843
Add: Additions during the period	-	2,263,271
	<u>13,235,788</u>	<u>13,818,114</u>
Less: Deletions during the period - at cost	-	6,442,177
	<u>13,235,788</u>	<u>7,375,937</u>
Less: Depreciation during the period	93,016	322,982
	<u>13,142,772</u>	<u>7,052,955</u>
Add: Depreciation adjustments for assets sold during the period	-	6,182,833
Book value at the end of period	<u><u>13,142,772</u></u>	<u><u>13,235,788</u></u>
8. CREDITORS, ACCRUED AND OTHER LIABILITIES		
Accrued and other payables	1,483,483	626,613
Unclaimed dividends	8,542,736	8,542,736
	<u><u>10,026,219</u></u>	<u><u>9,169,349</u></u>
9. DATE OF AUTHORIZATION		
These financial statements were authorized for issuance by the Board of Directors of Al-Zamin Modaraba Management (Private) Limited (the management company) on 28 October 2009.		
10. GENERAL		
10.1	Corresponding figures have been rearranged, where necessary, for purpose of comparison. However, no significant reclassification has been made during the period.	
10.2	Figure have been rounded off to the nearest rupee.	


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	30 September 2009		30 June 2009	
	Average cost	Market value	Average cost	Market value
	-----R u p e e s-----		-----R u p e e s-----	
6.2 Certificates of mutual funds				
Investec Mutual Fund				
28,500 (2009: 28,500) certificates of Rupees 10 each	528,702	12,825	528,702	18,525
PICIC Energy Fund				
20,000 (2009: 20,000) certificates of Rupees 10 each	253,625	111,400	253,625	90,000
PICIC Investment Fund				
61,220 (2009: 61,220) certificates of Rupees 10 each	1,017,094	367,320	1,017,094	233,248
Pakistan Premier Fund				
41,687 (2009: 41,867) certificates of Rupees 10 each	537,968	281,804	537,968	170,917
	<u>2,337,389</u>	<u>773,349</u>	<u>2,337,389</u>	<u>512,690</u>

- 6.3** 2000 BRR Guardian Modaraba certificates (2008:Nil) having face value Rs. 10 million (2008:Nil) carry profit at six months Kibor plus 130 basis points. These will mature in 2014 and are secured against joint ownership of musharaka assets. The fair value of each certificate is Rs.4,793 (2008:Nil).

	30 September 2009	30 June 2009
	Rupees (Un-Audited)	Rupees (Audited)
7. FIXED ASSETS		
Operating assets given on lease (Ijarah) - tangible (7.1)	98,013,257	76,561,518
Operating assets in own use - tangible (7.2)	<u>13,142,772</u>	<u>13,235,789</u>
	<u>111,156,029</u>	<u>89,797,307</u>
7.1 Operating assets given on lease - tangible		
Opening book value	76,561,506	34,275,646
Add: Additions during the period	<u>27,348,487</u>	<u>68,082,762</u>
	103,909,993	102,358,408
Less: Deletions during the period		
- vehicles (at cost)	<u>-</u>	<u>3,725,000</u>
	103,909,993	98,633,408
Less: Depreciation during the period	<u>5,896,736</u>	<u>24,254,557</u>
	98,013,257	74,378,851
Add: Depreciation adjustments for assets sold during the period	<u>-</u>	<u>2,182,655</u>
Book value at the end of period	<u>98,013,257</u>	<u>76,561,506</u>

DIRECTORS' REPORT

The directors of Al-Zamin Modaraba Management (Private) Limited (Al-Zamin) are pleased to present the un-audited financial statements of Trust Modaraba for the quarter ended September 30, 2009.

Deteriorating law and order situation, political uncertainty, liquidity crunch and power crisis are the major factors affecting industrial and business growth. Your management, in the worsening situation, is pursuing relentlessly the revival plan of Modaraba and its operations have already been reactivated. Secured facilities in the shape of Murabaha and Ijara are being provided to parties of acceptable risk profile. The Modaraba is expanding its outreach in the manufacturing and trading SMEs with good business dynamics, risk profile, growth potential and cash flow cycles. Trading in selected stocks and shares has been undertaken, but with caution and in small quantities.

We are happy to report that during the quarter, the Modaraba has earned a net profit of Rs. 8.72 million, as compared to Rs. 0.38 million in the corresponding quarter. Administrative expenses have been reduced to Rs.2.33 million, which were Rs. 4.00 million in the corresponding quarter. The revenue and profit will increase in the coming period as a result of new business undertaken.

Your management looks forward to improved economic conditions of the country and to build a remunerative business portfolio for the Modaraba certificate holders.

For and on behalf of the Board of Directors

Karachi
Date: October 28, 2009


Basheer A. Chowdry
(Chief Executive)

BALANCE SHEET

AS AT 30 SEPTEMBER 2009

	Note	30 September 2009 Rupees (Un-Audited)	30 June 2009 Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances		8,980,424	8,161,115
Short term investments	4	26,292,947	28,783,455
Advances, deposits, prepayments and other receivables	5	16,784,999	14,338,608
Murabaha financing		131,580,877	138,459,058
Total current assets		183,639,247	189,742,236
Non-current assets			
Long term deposits		184,862	184,862
Investments - available for sale	6	21,282,296	20,328,141
Fixed assets	7	111,156,030	89,797,294
Total non-current assets		132,623,188	110,310,297
TOTAL ASSETS		316,262,435	300,052,533

LIABILITIES AND EQUITY

Current liabilities			
Creditors, accrued and other liabilities	8	10,026,219	9,169,349
Provision for taxation		2,929,184	2,945,133
Total current liabilities		12,955,403	12,114,482
Non-current liabilities			
Customers' security deposits		38,561,449	30,909,500
Certificate holders' equity			
Certificate capital		298,000,000	298,000,000
Reserves		(33,254,417)	(40,971,449)
Total certificate holders' equity		264,745,583	257,028,551
TOTAL LIABILITIES AND EQUITY		316,262,435	300,052,533

CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 10 form an integral part of these interim condensed financial statements.



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2009

		30 September 2009 Rupees (Un-Audited)	30 June 2009 Rupees (Audited)
6. LONG TERM INVESTMENTS - AVAILABLE FOR SALE			
Shares of listed companies	6.1	37,791,940	43,094,506
Certificates of mutual funds	6.2	2,337,389	2,337,389
Sukuk certificates	6.3	9,063,000	9,063,000
		<u>49,192,329</u>	<u>54,494,895</u>
Provision for diminution in value of investments (impairment)		(28,299,703)	(34,690,855)
		<u>20,892,626</u>	<u>19,804,040</u>
Unrealized gain on revaluation of investments		389,670	524,100
		<u>21,282,296</u>	<u>20,328,140</u>

6.1 Shares of listed companies	30 September 2009		30 June 2009	
	Average cost	Market value	Average cost	Market value
	-----Rupees-----			
Amin Spinning Mills Limited				
400 (2009: 400) ordinary shares of Rupees 10 each fully paid	7,516	800	7,516	1,200
Kohinoor Spinning Mills Limited				
200 (2009: 200) ordinary shares of Rupees 10 each fully paid	10,290	302	10,290	570
Reliance Cotton Spinning Mills Limited				
100 (2009: 100) ordinary shares of Rupees 10 each fully paid	1,000	2,616	1,000	2,400
Dewan Salman Fibres Limited				
39,500 (2009: 39,500) ordinary shares of Rupees 10 each fully paid	1,092,370	68,335	1,092,370	58,855
Kohinoor Textile Mills Limited				
238,312 (2009: 283,312) ordinary shares of Rupees 10 each fully paid	7,944,275	2,330,691	9,444,372	1,252,239
Fauji Cement Company Ltd.				
129,900 (2009: 129,900) ordinary shares of Rupees 10 each fully paid	2,612,165	1,013,220	2,612,165	856,041
Pakistan Telecommunication Company Limited				
195,000 (2009: 195,000) ordinary shares of Rupees 10 each fully paid	16,318,664	3,898,050	16,318,664	3,361,800
Pakistan PTA Limited				
52,000 (2009: 102,000) ordinary shares of Rupees 10 each fully paid	1,094,058	287,560	1,449,061	291,720
Pakistan International Airlines Corporation Limited 'A'				
220,000 (2009: 220,000) ordinary shares of Rupees 10 each fully paid	3,781,830	631,400	3,781,830	730,400
Oil & Gas Development Company Limited				
25,000 (2009: 45,000) ordinary shares of Rupees 10 each fully paid	4,309,383	2,684,500	7,756,849	3,538,800
Pakistan Cement Company Limited				
49,750 (2009: 49,750) ordinary shares of Rupees 10 each fully paid	620,389	138,803	620,389	134,325
	<u>37,791,940</u>	<u>11,056,277</u>	<u>43,094,506</u>	<u>10,228,350</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

1. LEGAL STATUS AND NATURE

- 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 is managed by Al-Zamin Modaraba Management (Private) Limited (Modaraba Management Company).
- 1.2 The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharakas, leasing, investment in marketable securities and other permissible businesses. The Modaraba commenced its business operation from November 12, 1991. It is listed on the Karachi, Lahore and Islamabad Stock Exchanges.

2. BASIS OF PREPARATION

These interim condensed financial statements are un-audited and are being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981 and have been prepared in accordance with requirements of the International Accounting Standard (IAS)-34, "Interim Financial Reporting". These should be read in conjunction with the financial statements of the Modaraba for the year ended 30 June 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the Modaraba for the year ended 30 June 2009.

4. SHORT TERM INVESTMENTS

	30 September 2009 Rupees (Un-Audited)	30 June 2009 Rupees (Audited)
Held to maturity - certificate of deposits	20,000,000	25,000,000
Held for trading - shares of listed companies	6,630,438	3,946,888
Less: Unrealized loss on revaluation of held for trading investment	(337,491)	(163,433)
	<u>6,292,947</u>	<u>3,783,455</u>
	<u>26,292,947</u>	<u>28,783,455</u>

5. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to employees	32,221	64,956
Profit receivable on short term investment	446,971	826,799
Security deposits	12,000	151,000
Prepayments	97,075	85,324
Profit on murabaha finances	1,888,850	1,177,682
Lease rentals receivable	13,522,249	10,819,581
Other receivable	785,631	1,213,266
	<u>16,784,999</u>	<u>14,338,608</u>

PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	30 September 2009 Rupees (Un-Audited)	30 September 2008 Rupees (Audited)
Income from leasing (ijarah) operations	7,965,008	736,906
Profit on murabaha finances	3,059,895	3,482,083
Dividend income on equity investments	308,250	245,281
Profit on short term investment-held to maturity	1,047,343	545,749
Gain on sale of investments	1,332,810	-
Other income	69,273	19,443
	<u>13,782,579</u>	<u>5,029,462</u>
Reversal of impairment on available for sale investment	3,166,585	-
	<u>16,949,164</u>	<u>5,029,462</u>
Depreciation on operating assets given on lease/ijarah	5,896,749	644,301
Administrative expenses	2,328,569	4,001,136
	<u>8,225,318</u>	<u>4,645,437</u>
	8,723,846	384,025
Modaraba company's management fee	872,385	-
Profit for the period before taxation	7,851,462	384,025
Taxation	-	-
Profit for the period	<u>7,851,462</u>	<u>384,025</u>
Earnings per certificate	<u>0.26</u>	<u>0.01</u>

The annexed notes from 1 to 10 form an integral part of these interim condensed financial statements.


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	30 September 2009 Rupees (Un-Audited)	30 September 2008 Rupees (Audited)
NET CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,851,462	384,025
Add / (less) adjustment for :		
Depreciation	5,989,765	714,265
Dividend income	(308,250)	(245,281)
	<u>5,681,515</u>	<u>468,984</u>
Cash from operating activities before changes in working capital	13,532,977	853,009
Changes in working capital (Increase) / decrease in current assets:		
Murabaha financing	6,878,181	5,061,901
Short term investment	2,490,508	3,500,000
Advances, deposits, prepayments and other receivables	(2,446,391)	(357,331)
	<u>6,922,298</u>	<u>8,204,570</u>
Increase / (decrease) in current liabilities:		
Creditors, accrued and other liabilities	856,870	(10,082,349)
Customers' security deposits	7,651,949	-
	<u>8,508,819</u>	<u>(10,082,349)</u>
Cash from operating activities	28,964,093	(1,024,770)
Income tax paid	(15,949)	(51,118)
Net cash from operating activities	28,948,144	(1,075,888)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure (including assets given on lease)	(27,348,500)	475,660
(Purchase) / sale of investments - net	(1,088,585)	-
Dividend received	308,250	245,281
Net cash (used in) / from investing activities	(28,128,835)	720,941
Net increase / (decrease) in the cash and cash equivalents	819,309	(354,947)
Cash and cash equivalents at the beginning of period	8,161,115	3,205,034
Cash and cash equivalents at the end of period	8,980,424	2,850,087

The annexed notes from 1 to 10 form an integral part of these interim condensed financial statements.



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Certificate capital	Capital Reserve		Revenue Reserves		Accumulated loss	Total reserves	Total equity
		Statutory reserve	General	Unrealized gain / (loss) on revaluation of investments				
Balance as at 1 July 2008	273,000,000	42,832,697	15,400,000	(21,029,153)	(66,640,966)	(29,437,421)	243,562,579	
Profit for the period	-	-	-	-	384,025	384,025	384,025	
Unrealized net loss on investments - available for sale	-	-	-	(5,739,786)	-	(5,739,786)	(5,739,786)	
Balance as at 30 September 2008	273,000,000	42,832,697	15,400,000	(26,768,939)	(66,256,941)	(34,793,182)	238,206,818	
Balance as at 1 July 2009	298,000,000	42,832,697	-	524,100	(84,328,247)	(40,971,449)	257,028,551	
Profit / (Loss) for the year	-	-	-	-	7,851,462	7,851,462	7,851,462	
Unrealized net loss on investments - available for sale	-	-	-	(134,430)	-	(134,430)	(134,430)	
Balance as at 30 September 2009	298,000,000	42,832,697	-	389,670	(76,476,785)	(33,254,417)	264,745,583	

The annexed notes from 1 to 10 form an integral part of these interim condensed financial statements



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR