

# Quarterly Report

September 30, 2011

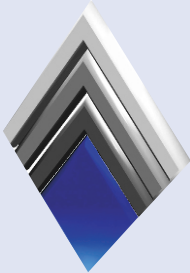
Ijarah

Murabaha

Musharaka

Equities

Trading



# Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (Pvt) Ltd



# CONTENTS

<b>CORPORATE INFORMATION.....</b>	<b>2</b>
<b>DIRECTORS' REPORT.....</b>	<b>3</b>
<b>CONDENSED INTERIM BALANCE SHEET.....</b>	<b>4</b>
<b>CONDENSED INTERIM PROFIT AND LOSS ACCOUNT.....</b>	<b>5</b>
<b>CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME.....</b>	<b>6</b>
<b>CONDENSED INTERIM CASH FLOW STATEMENT.....</b>	<b>7</b>
<b>CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY.....</b>	<b>8</b>
<b>NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS.....</b>	<b>9</b>

**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. Sohail Ansar	Director
Dr. Namoos Baquar	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
Ms. Roomana Nasir	HR Head

**Audit Committee**

Mr. Manzoor Hussain Shah Kazmi	Chairman
Mr. Shaikh Arshad Farooq	Member
Mr. Sohail Ansar	Member
Ms. Hamida Aqeel	Member/Secretary – Audit committee

**Head of Internal Audit**

Ms. Roomana Nasir

**Auditors of the Modaraba**

\* M. Yousaf Adil Saleem &amp; Co.

**Bankers**

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

**Legal Advisors**

Irfan &amp; Irfan, Attorneys at Law

**Registered Office/Principal Place of Business**

104-106, Kassam Court, BC-9, Block-5, Clifton, Karachi-75600  
Telephone: 021-35876651, 35876652, 111-111-303  
Fax : 021-35870408 Web: www.trustmodaraba.com

**Regional Office**

301-320, 3<sup>rd</sup> Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore  
Tel: (042) -35941957-8 Fax: (042) 35866513

**Registrars**

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

\* Subject to approval of Registrar Modaraba

The Directors of Al-Zamin Modaraba Management (Private) Limited are pleased to present the unaudited financial statements of Trust Modaraba for the quarter ended 30<sup>th</sup> September, 2011.


The financial sector of the country is operating in an environment of multifarious challenges. The factors responsible have been economic policies, regional security issues and natural calamities like unprecedented rains and floods causing heavy damage to the national economy. The business slump and a downward turn in its activities is due to unabated increase in the cost of inputs and prolonged energy crises. The revival of the economy will require immediate measures ensuring focused attention of the economic managers to address vital issues on urgent basis.

Your Management has kept its' policies aligned to the market trends and positive future prospects. A solid and steady growth pattern is being maintained under the circumstances and recovery of past stuck up receivables remains one of the major activity. Fresh business transactions are being developed after careful due diligence of all the risk parameters. As a result, your Modaraba has been able to achieve a good recovery rate. Trust Modaraba has diversified its product range and services and the client base has been developed on solid footings. During the quarter, your Modaraba earned a profit of Rs.2.605 Million before providing for management fee. Administrative expenses remained at a minimum level.

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 and on behalf of the Board of Directors

**Karachi**  
Date: October 7, 2011



**Basheer A. Chowdry**  
(Chief Executive)



# INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)

## AS AT SEPTEMBER 30, 2011

		September 30, 2011	June 30, 2011
	Note	Rupees (Un-Audited)	Rupees (Audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		2,981,263	16,776,927
Short term investments	4.	2,084,518	2,316,755
Advances, deposits, prepayments and other receivables	5.	24,277,299	22,827,937
Murabaha receivables		140,253,340	143,281,528
Musharakah receivables		6,000,000	5,000,000
Stock in trade		6,100,000	6,100,000
<b>Total current assets</b>		<b>181,696,421</b>	<b>196,303,147</b>
<b>Assets classified as held for sale</b>		<b>1,890,526</b>	<b>1,890,526</b>
<b>Non-current assets</b>			
Long term deposits		729,362	573,862
Long term investments - available for sale	6.	10,947,735	11,523,268
Fixed assets	7.	195,751,070	166,923,077
<b>Total non-current assets</b>		<b>207,428,167</b>	<b>179,020,207</b>
<b>TOTAL ASSETS</b>		<b>391,015,114</b>	<b>377,213,880</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Creditors, accrued and other liabilities	8.	18,532,220	24,629,226
Dividened Payable 2011		14,900,000	-
Provision for taxation		-	-
<b>Total current liabilities</b>		<b>33,432,220</b>	<b>24,629,226</b>
<b>Non-current liabilities</b>			
Customers' security deposits		87,262,303	69,195,653
<b>Certificate holders' equity</b>			
Certificate capital		298,000,000	298,000,000
Reserves		(27,679,409)	(14,610,999)
<b>Total certificate holders' equity</b>		<b>270,320,591</b>	<b>283,389,001</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>391,015,114</b>	<b>377,213,880</b>

**CONTINGENCIES AND COMMITMENTS**

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



**CHIEF EXECUTIVE**



**DIRECTOR**



**DIRECTOR**

# INTERIM CONDENSED PROFIT AND LOSS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2011



	September 30, 2011 Rupees (Un-Audited)	September 30, 2010 Rupees (Un-Audited)
<b>Operating income</b>		
Income from leasing / ijarah operations	15,818,551	14,003,620
Profit on murabaha finances	2,871,398	2,902,831
Profit on musharakah finances	332,740	-
Dividend income	19,625	85,110
Profit on investment-held to maturity	338,631	407,340
Gain/(Loss) on sale of investments	-	157,599
(Loss)/Gain on sale of assets	176,455	(476,194)
Other income	150,085	165,389
Trading Income	-	73,181
	19,707,485	17,318,876
Reversal / (impairment) on available for sale investments	(232,237)	1,013,669
	19,475,248	18,332,545
<b>Operating costs</b>		
Depreciation on operating assets given on lease/ijarah	12,992,589	11,739,435
Administrative expenses	3,877,522	2,453,898
	16,870,111	14,193,333
	2,605,137	4,139,212
Modaraba company's management fee	260,514	413,921
Profit/(loss) for the period before taxation	2,344,623	3,725,291
Taxation	-	-
<b>Profit/(loss) for the period</b>	<b>2,344,623</b>	<b>3,725,291</b>
Earnings/(loss) per certificate - basic and diluted	<b>0.08</b>	<b>0.13</b>

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



**CHIEF EXECUTIVE**



**DIRECTOR**



**DIRECTOR**

## INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	<u>September 30, 2011</u>	<u>September 30, 2010</u>
	Rupees (Un-Audited)	Rupees (Un-Audited)
Profit / (loss) for the period	2,344,623	3,725,291
<b>Other comprehensive Income</b>		
(Deficit)/surplus on revaluation of available for sale investments	(513,033)	-
<b>Total comprehensive income</b>	<b><u>1,831,590</u></b>	<b><u>3,725,291</u></b>

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



**CHIEF EXECUTIVE**



**DIRECTOR**



**DIRECTOR**

**INTERIM CONDENSED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011**



Trust Modaraba

	September 30, 2011 Rupees (Un-Audited)	September 30, 2010 Rupees (Un-Audited)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	2,344,623	3,725,291
Add / (less) adjustment for :		
Depreciation	13,145,894	11,860,257
Impairment loss on investments	(513,033)	
(Gain)/Loss on disposal of fixed assets	(176,455)	476,194
Dividend income	(19,625)	(85,110)
	<u>12,436,781</u>	<u>12,251,341</u>
<b>Cash flows from operating activities before changes in working capital</b>	<b>14,781,404</b>	<b>15,976,632</b>
Changes in working capital :		
Decrease/(increase) in current assets:		
Murabaha receivables	3,028,188	1,259,281
Musharakah receivables	(1,000,000)	-
Short term investment	232,237.00	(9,276,483)
Advances, deposits, prepayments and other receivables	(1,604,862)	2,163,297
Stock in trade	-	990,439
	<u>655,563</u>	<u>(4,863,466)</u>
Increase / (decrease) in current liabilities:		
Creditors, accrued and other liabilities	(6,097,006)	(5,240,344)
Customers' security deposits	18,066,650	(8,996,578)
	<u>11,969,644</u>	<u>(14,236,922)</u>
<b>Net cash / flow from operating activities</b>	<b>27,406,610</b>	<b>(3,123,756)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure (including assets given on lease/ijarah)	(44,140,215)	(18,202,802)
Sale proceeds of fixed assets (including assets given on lease/ijarah)	2,342,783	21,413,709
Long term investments	575,533	(807,000)
Dividend received	19,625	85,110
<b>Net cash flow from investing activities</b>	<b>(41,202,274)</b>	<b>2,489,017</b>
<b>Net increase in the cash and cash equivalents</b>	<b>(13,795,664)</b>	<b>(634,739)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>16,776,927</b>	<b>8,313,978</b>
<b>Cash and cash equivalents at the end of period</b>	<b><u>2,981,263</u></b>	<b><u>7,679,239</u></b>

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR



**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	Certificate capital	Capital Reserve		Revenue Reserves		Total Reserves	Total Equity
		Statutory reserve	Unrealized loss on revaluation of investments	Unrealized loss on revaluation of investments	Accumulated loss		
Balance as at 01 July 2010	298,000,000	49,851,774	(319,550)	(67,950,399)	(18,418,175)	279,581,825	
Total comprehensive income for the period ended 30 September 2010.			-	3,725,291	(14,900,000)	3,725,291	
Dividend Payable				(14,900,000)	(14,900,000)	(14,900,000)	
<b>Balance as at 30 September 2010</b>	<b>298,000,000</b>	<b>49,851,774</b>	<b>(319,550)</b>	<b>(79,125,108)</b>	<b>(29,592,884)</b>	<b>268,407,116</b>	
Balance as at 01 July 2011	298,000,000	55,106,639	(2,631,834)	(67,085,805)	(14,610,999)	283,389,001	
Total comprehensive income for the period ended 30 September 2011.	-	-	(513,033)	2,344,623	1,831,590	1,831,590	
Dividend Payable				(14,900,000)	(14,900,000)	(14,900,000)	
<b>Balance as at 30 September 2011</b>	<b>298,000,000</b>	<b>55,106,639</b>	<b>(3,144,867)</b>	<b>(79,641,182)</b>	<b>(27,679,409)</b>	<b>270,320,591</b>	

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

# NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2011



## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Trust Modaraba (the Modaraba) was formed in Pakistan under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 and the Rules framed there under and is being managed Al-Zamin Modaraba Management (Private) Limited (AMML) since 23 February 2009. The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharikas, leasing (ijraha), investment in marketable securities and other permissible businesses. The Modaraba commenced its business operations from 12 November 1991. It is listed on the Karachi, Lahore and Islamabad Stock Exchanges.

## 2. BASIS OF PREPARATION

These interim condensed financial information are unaudited 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 2011.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, judgments and estimates made by the management in the preparation of the 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 2011.

	September 30, 2011 Rupees (Un-Audited)	June 30, 2011 Rupees (Audited)
<b>4. SHORT TERM INVESTMENTS</b>		
Held to maturity - certificate of deposits	-	-
Held for trading - shares of listed companies	3,393,190	3,393,190
Less: Unrealized loss on revaluation of held for trading investment	(1,308,672)	(1,076,435)
	<u>2,084,518</u>	<u>2,316,755</u>
<b>5. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Advances to employees	190,000	157,000
Profit receivable on short term investment	1,549,893	1,273,762
Security deposits	4,500	4,500
Advance Income Tax	652,868	652,352
Lease rentals receivable	13,654,444	12,729,250
Prepayments	818,996	767,008
Other receivable	7,406,598	7,244,065
	<u>24,277,299</u>	<u>22,827,937</u>
<b>6. INVESTMENTS</b>		
<b>Available for sale</b>		
Shares of listed companies	9,580,612	9,580,612
Certificates of mutual funds	715,117	715,117
Sukuk certificates	9,000,500	9,063,000
	<u>19,296,229</u>	<u>19,358,729</u>
Provision for diminution in value of investments (impairment)	(6,985,021)	(6,471,988)
	12,311,208	12,886,741
Provision Unrealized gain/(loss) on revaluation of investments	(1,363,473)	(1,363,473)
	<u>10,947,735</u>	<u>11,523,268</u>

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2011

Note	September 30, 2011 Rupees (Un-Audited)	June 30, 2011 Rupees (Audited)
<b>7. FIXED ASSETS</b>		
Operating assets given on lease - tangible	7.1 181,751,908	152,860,824
Operating assets in own use - tangible	7.2 13,999,162	14,062,253
	<u>195,751,070</u>	<u>166,923,077</u>
<b>7.1 Operating assets given on lease - tangible</b>		
Opening book value	152,860,823	149,067,322
Add: Additions during the period	44,050,000	79,339,769
	<u>196,910,823</u>	<u>228,407,091</u>
Less: Deletions during the period - vehicles (at cost)	5,605,201	55,635,941
	<u>191,305,622</u>	<u>172,771,150</u>
Less: Depreciation during the period	12,992,587	43,723,274
	<u>178,313,03</u>	<u>129,047,876</u>
Add: Depreciation adjustments for assets sold during the period	3,438,873	23,812,948
Book value at the end of period	<u>181,751,908</u>	<u>152,860,824</u>
<b>7.2 Operating assets in own use - tangible</b>		
Opening book value	14,062,253	14,120,209
Add: Additions during the period	90,214	532,243
	<u>14,152,467</u>	<u>14,652,452</u>
Less: Deletions during the period - at cost	-	-
	<u>14,152,467</u>	<u>14,652,452</u>
Less: Depreciation during the period	153,305	590,199
	<u>13,999,162</u>	<u>14,062,253</u>
Add: Depreciation adjustments for assets sold during the period	-	-
Book value at the end of period	<u>13,999,162</u>	<u>14,062,253</u>
<b>8. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Accrued expenses	350,000	361,644
Other payables	1,223,689	4,208,665
Unclaimed dividends	9,093,920	9,093,920
Management fee payable	2,596,009	2,335,495
Unearned income - Morahaba sale price	3,268,602	5,972,111
Deffered income on ijarah	-	657,391
Security deposit against sale of property	2,000,000	2,000,000
	<u>18,532,220</u>	<u>24,629,226</u>
<b>9. DATE OF AUTHORIZATION</b>		

These financial statements were authorized for issuance by the Board of Directors of Al-Zamin Modaraba Management (Private) Limited (the management company) on October 07, 2011.

### 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 Figures have been rounded off to the nearest rupee.



**CHIEF EXECUTIVE**



**DIRECTOR**



**DIRECTOR**



**BOOK POST**



**Trust Modaraba**  
Managed By:  
Al-Zāmin Modaraba Management (Pvt) Ltd

**301-320, 3<sup>rd</sup> Floor, Garden Heights, 8-Aibak Block,  
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