

**QUARTERLY REPORT**  
MARCH 31, 2012

Ijarah

Murabaha

Musharaka

Equities

Trading



**Trust Modaraba**

Managed By:

Al-Zāmin Modaraba Management (Pvt) Ltd

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**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 (co-opted)

**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	Head Internal Audit

**Audit Committee**

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

**Auditors of the Modaraba**

M. Yousaf Adil Saleem &amp; Co.

**Bankers**

Meezan Bank Limited  
Bank Alfalah Limited – Islamic Banking

**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 : 021-35941957 Web: trust.modaraba.com

**Regional office**

301-320, 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

\*Co-opted in place of Mr. Zafar Iqbal, (Deceased), Subject to approval of Registrar Modaraba, SECP.

The Directors of Al-Zamin Modaraba Management (Private) Limited (Al-Zamin) take pleasure in presenting the unaudited financial statements of Trust Modaraba for the quarter ended 31st March, 2012.

The business operations of the Modaraba as at 31st March, 2012 depict satisfactory performance. Emphasis is placed on writing fresh business to only those clients who have proven track record of performance and in most of the cases financial facilities are secured against collateral having good realizable value and secondary market. Aggressive follow up for recovery is being maintained due to which a number of cases have now come close to settlement. Every effort is being made to conclude recoveries from stuck up clients expeditiously.

Total operating income of the Modaraba for the first three quarters of the financial year 2011-12 stood at Rs.63.66 million as compared to Rs.56.24 million registering an increase of 13% over the previous year. Profit for the period has been recorded at Rs.9.764 million. Asset base of the Modaraba stood at Rs.393.642 million.

Economic and business environment of the country in general is faced with serious challenges. The acute power shortages and disturbed law and order situation has adversely affected businesses across the board. The situation therefore, warrants extreme prudence in credit extension. It has also been directed by the Board to retain earnings in the Modaraba as much as possible to further augment business activities and profitability opportunities for Trust Modaraba.

It is a pleasure to report that in compliance of the directives of Securities and Exchange Commission of Pakistan to ensure implementation of Shariah principles, your Modaraba has appointed a renowned and capable Islamic Scholar, Mr. Dr. Mohammad Zubair Usmani as Shariah Advisor. The knowledge and rich experience of Dr. Mohammad Zubair Usmani would contribute towards further enhancement of Shariah standards in implementation of the business objectives of the Modaraba.

For and on behalf of the Board of Directors.



**Basheer A. Chowdry**

Chief Executive

Karachi  
28th April, 2012.

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
AS AT MARCH 31, 2012**

		<b>March 31, 2012</b>	<b>June 30, 2011</b>
	<b>Note</b>	<b>Rupees (Un-Audited)</b>	<b>Rupees (Audited)</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	4.	13,588,229	16,776,927
Short term investments	5.	2,462,204	2,316,755
Advances, deposits, prepayments and other receivables		26,011,210	22,827,937
Murabaha receivables		143,601,803	143,281,528
Musharakah receivables		7,976,405	5,000,000
Stock in trade		177,603	6,100,000
<b>Total current assets</b>		<b>193,817,454</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		1,184,364	573,862
Long term investments - available for sale	6.	10,438,908	11,523,268
Fixed assets	7.	186,311,232	166,923,077
<b>Total non-current assets</b>		<b>197,934,504</b>	<b>179,020,207</b>
<b>TOTAL ASSETS</b>		<b><u>393,642,484</u></b>	<b><u>377,213,880</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Creditors, accrued and other liabilities		21,013,394	24,629,226
<b>Total current liabilities</b>		<b>21,013,394</b>	<b>24,629,226</b>
<b>Non-current liabilities</b>			
Customers' security deposits		94,576,269	69,195,653
<b>Certificate holders' equity</b>			
Certificate capital		298,000,000	298,000,000
Reserves		(19,947,179)	(14,610,999)
<b>Total certificate holders' equity</b>		<b>278,052,821</b>	<b>283,389,001</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>393,642,484</u></b>	<b><u>377,213,880</u></b>

**CONTINGENCIES AND COMMITMENTS**

8.

The annexed notes from 1 to 12 form an integral part of this interim condensed financial information.



**CHIEF EXECUTIVE**



**DIRECTOR**



**DIRECTOR**

## CONDENSED INTERIM PROFIT AND LOSS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2012

Note	Quarter ended		Nine months ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Rupees		Rupees	
<b>Operating income</b>				
Income from leasing / ijarah operations	17,505,675	13,088,361	51,289,116	39,944,903
Profit on murabaha finances	2,784,264	2,930,916	8,974,779	8,834,931
Profit on musharakah finances	482,432	-	1,221,641	-
Dividend income	24,520	38,601	67,745	123,711
Profit on long term investment-available for sale	293,583	371,956	933,861	1,277,466
Profit on sale of investments	458,354	47,510	458,354	731,880
Other income	418,337	462,886	1,451,015	5,094,545
Trading Income / (Loss)	-	-	(740,047)	233,544
	21,967,165	16,940,230	63,656,464	56,240,980
(Addition)/reversal of provision against non performing murabaha finances & other receivable	61,456	404,300	2,409,788	3,539,442
Reversal / (impairment) on available for sale investments	739,443	-	272,949	(8,453)
	22,768,064	17,344,530	66,339,201	59,771,969
<b>Operating costs</b>				
Depreciation on operating assets given on lease/ijarah	14,642,760	10,525,966	42,145,363	32,816,643
Administrative expenses	4,255,391	3,525,666	12,721,349	9,797,240
Other Charges	-	-	623,349	-
	18,898,151	14,051,632	55,490,061	42,613,883
	3,869,913	3,292,898	10,849,141	17,158,086
Modaraba company's management fee	386,991	329,290	1,084,914	1,715,809
Profit/(loss) for the period before taxation	3,482,922	2,963,608	9,764,226	15,442,277
Taxation	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>3,482,922</b>	<b>2,963,608</b>	<b>9,764,226</b>	<b>15,442,277</b>
Earnings/(loss) per certificate				
- basic and diluted	0.12	0.10	0.33	0.52



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2012**



	Quarter ended		Nine months ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Profit / (loss) for the period	3,482,922	2,963,608	9,764,226	15,442,277
<b>Other comprehensive Income</b>				
(Deficit)/surplus on revaluation of available for sale investments	868,281	(263,479)	(200,406)	(1,307,402)
<b>Total comprehensive income</b>	<b>4,351,203</b>	<b>2,700,129</b>	<b>9,563,820</b>	<b>14,134,875</b>

The annexed notes from 1 to 12 form an integral part of this interim condensed financial information.



**CHIEF EXECUTIVE**



**DIRECTOR**



**DIRECTOR**

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2012

	Quarter ended		Nine months ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Rupees	Rupees	Rupees	Rupees
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit/(loss) before taxation	3,482,922	2,963,608	9,764,226	15,442,277
Add / (less) adjustment for :				
Depreciation	14,832,967	10,767,415	42,650,644	33,347,057
Impairment loss on investments	868,247	(263,479)	(200,406)	(1,307,402)
(Gain)/Loss on disposal of fixed assets	(115,991)	(103,685)	(704,173)	341,808
Dividend income	(24,520)	(38,601)	(67,745)	(123,711)
	15,560,703	10,361,650	41,678,320	32,257,752
<b>Cash flows from operating activities before changes in working capital</b>	<b>19,043,625</b>	<b>13,325,258</b>	<b>51,442,546</b>	<b>47,700,029</b>
Changes in working capital :				
Decrease/(increase) in current assets:				
Murabaha receivables	635,657	83,146	(320,275)	(2,696,038)
Musharakah receivables	(2,138,406)	(2,830,124)	(2,976,406)	-
Short term investment	(611,944)	1,626,070	(145,449,000)	1,626,070
Advances, deposits, prepayments and other receivables	3,596,401	6,836,887	(3,793,773)	4,372,755
Stock in trade	-	(6,100,000)	5,922,397	(5,109,562)
	1,481,708	(384,021)	(1,313,506)	(1,806,775)
Increase / (decrease) in current liabilities:				
Creditors, accrued and other liabilities	(7,242,955)	(1,821,592)	(3,615,832)	(4,870,498)
Customers' security deposits	1,053,940	3,245,050	25,380,615	(5,545,257)
	(6,189,015)	1,423,458	21,764,783	(10,415,755)
Dividend paid	-	-	(14,900,000)	(14,900,000)
<b>Net cash / flow from operating activities</b>	<b>14,336,319</b>	<b>14,364,695</b>	<b>56,993,824</b>	<b>20,577,499</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Fixed capital expenditure (including assets given on lease/ijarah)	(6,927,186)	(22,042,201)	(72,730,474)	(52,479,433)
Sale proceeds of fixed assets (including assets given on lease/ijarah)	1,785,178	3,710,579	11,395,846	25,653,734
Long term investments	(140,542)	(170,154)	1,084,360	2,055,467
Long term Liabilities - subject to lease finance	-	1,537,010	-	1,537,010
Dividend received	24,520	38,601	67,745	123,711
<b>Net cash flow from investing activities</b>	<b>(5,258,030)</b>	<b>(16,926,165)</b>	<b>(60,182,523)</b>	<b>(23,109,511)</b>
<b>Net increase in the cash and cash equivalents</b>	<b>9,078,290</b>	<b>(2,561,470)</b>	<b>(3,188,698)</b>	<b>(2,532,012)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>4,509,939</b>	<b>8,343,436</b>	<b>16,776,927</b>	<b>8,313,978</b>
<b>Cash and cash equivalents at the end of period</b>	<b>13,588,229</b>	<b>5,781,966</b>	<b>13,588,229</b>	<b>5,781,966</b>

The annexed notes from 1 to 12 form an integral part of this interim condensed financial information.



**CHIEF EXECUTIVE**



**DIRECTOR**



**DIRECTOR**





## SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2012

### 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.

	March 31, 2012	June 30, 2011
	Rupees (Un-Audited)	Rupees (Audited)
<b>4. CASH AND BANK BALANCE</b>		
Cash In Hand	29,841	8,714
Balance with banks in:		
Current Accounts	13,542,702	16,752,583
Deposit Accounts	15,686	15,630
	13,558,388	16,768,213
	<u>13,588,229</u>	<u>16,776,927</u>
<b>5. SHORT TERM INVESTMENTS</b>		
Held to maturity - certificate of deposits	-	-
Held for trading - shares of listed companies	3,233,770	3,393,190
Less: Unrealized loss on revaluation of held for trading investment	(771,566)	(1,076,435)
	2,462,204	2,316,755
	<u>2,462,204</u>	<u>2,316,755</u>
<b>6. LONG TERM INVESTMENTS - Available for sale</b>		
<b>Available for sale</b>		
Shares of listed companies	8,532,305	9,580,612
Certificates of mutual funds	715,117	715,117
Sukuk certificates	8,813,000	9,063,000
	18,060,422	19,358,729
Provision for diminution in value of investments (impairment)	(6,097,580)	(6,471,988)
	11,962,842	12,886,741
Provision Unrealized gain/(loss) on revaluation of investments	(1,523,934)	(1,363,473)
	<u>10,438,908</u>	<u>11,523,268</u>
<b>7. FIXED ASSETS</b>		
Operating assets given on lease - tangible	172,032,487	152,860,823
Operating assets in own use - tangible	14,278,745	14,062,254
	<u>186,311,232</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	72,008,700	79,339,769
	224,869,523	228,407,091
Less: Deletions during the period		
- vehicles (at cost)	18,943,243	55,635,941
	205,926,280	172,771,150
Less: Depreciation during the period	42,145,363	43,723,274
	163,780,917	129,047,876
Add: Depreciation adjustments for assets sold during the period	8,251,570	23,812,947
Book value at the end of period	<u>172,032,487</u>	<u>152,860,823</u>

**SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2012**



**7.2 Fixed assets in own use - tangible**

Opening book value	14,062,253	14,120,209
Add: Additions during the period	<u>721,773</u>	<u>532,243</u>
	14,784,026	14,652,452
Less: Deletions during the period - at cost	<u>-</u>	<u>-</u>
	14,784,026	14,652,452
Less: Depreciation during the period	<u>505,281</u>	<u>590,198</u>
	14,278,745	14,062,254
Add: Depreciation adjustments for assets sold during the period	<u>-</u>	<u>-</u>
Book value at the end of period	<u><b>14,278,745</b></u>	<u><b>14,062,254</b></u>

The present management, after taking over the control of Modaraba on 23rd February 2009, prompted to verify the status of land measuring 10 kanals, costing Rs. 10,728,400 situated at Mauza Amer Sidhu, Lahore Cantt with the revenue authorities and it was known that the land was acquired by Defence Housing Authority, Lahore (DHA) many years ago. After then, contact was made with DHA and various communications were exchanged to take possession of land from DHA. DHA through its letter dated June 11, 2009 intimated that DHA is the lawful owner of the land; therefore, its possession cannot be handed over to the Modaraba. DHA officials are of the view that the said land was purchased by DHA much earlier to the alleged purchase of Modaraba however, no documentary proof to this effect has been made available to the Modaraba so far. Meanwhile, the Modaraba has served legal notice on DHA claiming ownership of the land and demanding its possession. The Modaraba has filed a law suit in the court and both the management and legal counsel of the Modaraba are confident that Modaraba has valid claim against DHA and accordingly there is no need of provision against such land.

**8. CONTINGENCIES AND COMMITMENTS**

There has been no significant change in contingencies and commitments since the date of preceding annual published financial statements.

**9. TAXATION**

As per the current tax law, income of non-trading Modaraba is exempt from income tax provided that they distribute ninety percent cash profit to certificate holders out of current year's total profit after appropriating statutory reserves. As the management intends to follow the aforesaid policy for profit distribution for the current year, no provision with respect to current and deferred taxation has been made in this condensed interim financial information.

10 EARNINGS PER CERTIFICATE – Basic and diluted	Quarter ended		Nine months ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	..... Rupees .....			
Profit after taxation	<u>3,482,922</u>	<u>2,963,608</u>	<u>9,764,226</u>	<u>15,442,277</u>
	..... (Numbers) .....			
Weighted average number of ordinary certificates in issue during the period	<u>29,800,000</u>	<u>29,800,000</u>	<u>29,800,000</u>	<u>29,800,000</u>
	..... Rupees .....			
Earnings per certificate - basic and diluted	<u>0.12</u>	<u>0.10</u>	<u>0.33</u>	<u>0.52</u>

**11. 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 28th April, 2012.

**12. GENERAL**

12.1 Corresponding figures have been rearranged, where necessary, for purpose of comparison. However, no significant reclassification has been made during the period.

12.2 Figures have been rounded off to the nearest rupee.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
DIRECTOR

**BOOK POST**

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