

QUARTERLY REPORT

SEPTEMBER 30, 2012

Ijarah

Murabaha

Musharaka

Equities

Trading



Trust Modaraba

Managed By:

Al-Zāmin Modaraba Management (Pvt) Ltd

CONTENTS

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

CORPORATE INFORMATION

Modaraba Company

Al-Zamin Modaraba Management (Private) Limited

Board of Directors

Mr. Syed Manzoor Hussain Shah Kazmi	Chairman
Mr. Basheer Ahmed Chowdry	Chief Executive
Mr. Shaikh Arshad Farooq	Director
Mr. Muhammad Imranul Haque	Director
Mr. Sohail Ansar	Director
Dr. Namoos Baquar	Director
Mr. Syed Shahnawaz A. Rizvi	Director

Management

Mr. Basheer Ahmed Chowdry	Chief Executive
Ms. Hamida Aqeel	Chief Operating Officer/ Company Secretary
Mr. Ijaz Ahmed Khan	Chief Financial Officer/ Regional Head
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	Member / Secretary Audit Committee

Head of Internal Audit

Ms. Roomana Nasir

Auditors of the Modaraba

M. Yousaf Adil Saleem & Co.

Bankers

Meezan Bank Limited
Bank Alfalah Limited – Islamic Banking

Legal Advisors

Irfan & 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

The Directors of Al-Zamin Modaraba Management (Private) Limited are pleased to present the unaudited financial statements of Trust Modaraba for the quarter ended 30th September, 2012.

Despite the long prevailed challenges of recessionary trends in economic globally and domestically as well as increasing trend of fuel prices and commodity prices and impact of heavy rains in southern part of the country, Pakistan's economy showed resilience with estimated GDP growth by 0.7% during the financial year 2011-12 as compared to last year. However, law & order situation, energy crises, rising inflation trend still continue. In order to achieve sustainable growth and to recoup these vital issues, stringent fiscal and political measures are required on urgent basis.

Trust Modaraba witnessed a steady growth over the period. During the quarter under review, business operations of the Modaraba depict satisfactory performance. Focused strategy remained firmly on recovery of past stuck up receivables which resulted in enhancing the earnings. Operating costs were kept under strict control, in line with the planned strategy.

The KSE-100 index has increased from 13,801 points as on 30th June 2012 to 15,445 points as on 30th September 2012. The growth of 12% has been due to better corporate results and foreign buying activity in the local equity market. Your Modaraba has also benefitted from the rising market to the tune of Rs.0.857 million

During the quarter under review the Modaraba has earned a profit of Rs.5.289 Million before providing for management fee as compared to Rs.2.605 million in the corresponding quarter depict a 100% improvement.

Your Management is committed to prudent investment procedures and will continue to strength the footing of your Modaraba and make every possible effort to maximize profits which will ultimately pass on to the certificate holders.

For and on behalf of the Board of Directors

Karachi

Date: October 8, 2012



Basheer A. Chowdry
(Chief Executive)

**INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2012**

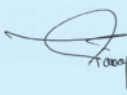
		September 30, 2012	June 30, 2012
	Note	Rupees (Un-Audited)	Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances		8,719,858	24,538,761
Short term investments	4.	1,144,798	2,106,540
Advances, deposits, prepayments and other receivables	5.	30,781,499	27,447,742
Murabaha receivables		143,504,849	144,354,099
Musharakah receivables		11,227,442	12,106,003
Stock in trade		177,603	177,603
Total current assets		195,556,049	210,730,747
Assets classified as held for sale		1,890,526	1,890,526
Non-current assets			
Long term deposits		1,184,362	1,184,362
Long term investments - available for sale	6.	11,214,516	9,981,573
Fixed assets	7.	209,083,540	176,759,545
Total non-current assets		221,482,418	187,925,480
TOTAL ASSETS		418,928,993	400,546,754
LIABILITIES AND EQUITY			
Current liabilities			
Creditors, accrued and other liabilities	8.	23,568,952	25,536,999
Provision for taxation		-	-
Total current liabilities		23,568,952	25,536,999
Non-current liabilities			
Customers' security deposits		109,065,792	94,362,017
Certificate holders' equity			
Certificate capital		298,000,000	298,000,000
Reserves		(11,705,751)	(17,352,262)
Total certificate holders' equity		286,294,249	280,647,738
TOTAL LIABILITIES AND EQUITY		418,928,993	400,546,754

CONTINGENCIES AND COMMITMENTS

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



Chief Executive



Director



Director

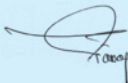
**INTERIM CONDENSED PROFIT AND LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

Note	September 30, 2012	September 30, 2011
 Rupees Rupees
	(Un-Audited)	(Un-Audited)
Operating income		
Income from leasing / ijarah operations	16,988,821	15,818,551
Profit on murabaha finances	2,408,941	2,871,398
Profit on musharakah finances	825,456	332,740
Dividend income	2,500	19,625
Profit on long term investment-available for sale	277,955	338,631
Profit on sale of investments	568,299	-
Other income	689,323	326,540
	<u>21,761,295</u>	<u>19,707,485</u>
(Addition)/reversal of provision against non performing murabaha finances & other receivable	401,000	-
Reversal / (impairment) on available for sale investments	289,022	(232,237)
	<u>22,451,317</u>	<u>19,475,248</u>
Operating costs		
Depreciation on operating assets given on lease/ijarah	12,653,526	12,992,589
Administrative expenses	4,508,548	3,877,522
	<u>17,162,074</u>	<u>16,870,111</u>
	5,289,243	2,605,137
Modaraba company's management fee	528,924	260,514
Profit/(loss) for the period before taxation	<u>4,760,318</u>	<u>2,344,623</u>
Taxation	-	-
Profit/(loss) for the period	<u>4,760,318</u>	<u>2,344,623</u>
Earnings/(loss) per certificate - basic and diluted	<u>0.16</u>	<u>0.08</u>

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, 2012**



	September 30, 2012	September 30, 2011
	Rupees	Rupees
Profit / (loss) for the period	4,760,318	2,344,623
Other comprehensive Income		
(Deficit)/surplus on revaluation of available for sale investments	886,193	(513,033)
Total comprehensive income	<u>5,646,511</u>	<u>1,831,590</u>

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, 2012**

	September 30, 2012	September 30, 2011
	Rupees	Rupees
NET CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	4,760,318	2,344,623
Add / (less) adjustment for :		
Depreciation	12,907,432	13,145,894
Impairment loss on investments	886,193	(513,033)
(Gain)/Loss on disposal of fixed assets	(307,377)	(176,455)
Dividend income	(2,500)	(19,625)
	<u>13,483,748</u>	<u>12,436,781</u>
Cash flows from operating activities before changes in working capital	18,244,066	14,781,404
Changes in working capital :		
Decrease/(increase) in current assets:		
Murabaha receivables	849,250	3,028,188
Musharakah receivables	878,561	(1,000,000)
Short term investment	961,742	232,237
Advances, deposits, prepayments and other receivables	(3,333,757)	(1,604,862)
Stock in trade	-	-
	<u>(644,205)</u>	<u>655,563</u>
Increase / (decrease) in current liabilities:		
Creditors, accrued and other liabilities	(1,968,048)	(6,097,006)
Customers' security deposits	14,703,775	18,066,650
	<u>12,735,727</u>	<u>11,969,644</u>
Net cash / flow from operating activities	30,335,588	27,406,610
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure (including assets given on lease/ijarah)	(52,557,100)	(44,140,215)
Sale proceeds of fixed assets (including assets given on lease/ijarah)	7,633,051	2,342,783
Long term investments	(1,232,942)	575,533
Dividend received	2,500	19,625
Net cash flow from investing activities	(46,154,491)	(41,202,274)
Net increase in the cash and cash equivalents	(15,818,903)	(13,795,664)
Cash and cash equivalents at the beginning of period	24,538,761	16,776,927
Cash and cash equivalents at the end of period	<u>8,719,858</u>	<u>2,981,263</u>

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, 2012

	Certificate capital		Capital Reserve		Revenue Reserves		Total Reserves	Total Equity
	Statutory reserve	Unrealized loss on revaluation of investments	Accumulated loss	Unrealized loss on revaluation of investments	Accumulated loss			
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 Paid						(14,900,000)	(14,900,000)	(14,900,000)
Balance as at 30 September 2011	<u>298,000,000</u>	<u>55,106,639</u>	<u>(3,144,867)</u>	<u>(79,641,182)</u>			<u>(27,679,409)</u>	<u>270,320,591</u>
Balance as at 01 July 2012	298,000,000	61,161,526	(2,582,872)	(75,930,918)			(17,352,262)	280,647,738
Total comprehensive income for the period ended 30 September 2012.	-	-	886,193	4,760,318			5,646,511	5,646,511
Balance as at 30 September 2012	<u>298,000,000</u>	<u>61,161,526</u>	<u>(1,696,679)</u>	<u>(71,170,600)</u>			<u>(11,705,751)</u>	<u>286,294,249</u>

-----Rupees-----

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



Chief Executive



Director

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 been 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 2012.

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 2012

4. SHORT TERM INVESTMENTS

Held to maturity - certificate of deposits

Held for trading - shares of listed companies

Less: Unrealized loss on revaluation of held for trading investment

	September 30, 2012	June 30, 2012
	Rupees (Un-Audited)	Rupees (Audited)
	-	-
	2,184,348	3,146,090
	(1,039,550)	(1,039,550)
	<u>1,144,798</u>	<u>2,106,540</u>

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

Advances to employees

Profit receivable on short term investment

Security deposits

Advance Income Tax

Lease rentals receivable

Prepayments

Other receivable

	268,928	238,442
	2,465,895	2,312,940
	4,500	4,500
	950,269	946,779
	17,143,638	16,068,334
	1,576,907	704,290
	8,371,363	7,172,457
	<u>30,781,499</u>	<u>27,447,742</u>

6. INVESTMENTS

Available for sale

Shares of listed companies

Certificates of mutual funds

Sukuk certificates

Provision for diminution in value of investments (impairment)

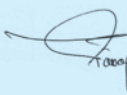
Provision Unrealized gain/(loss) on revaluation of investments

	8,004,613	8,208,643
	528,702	528,702
	8,625,500	8,719,250
	17,158,815	17,456,595
	(4,420,365)	(6,160,512)
	12,738,450	11,296,083
	(1,523,934)	(1,314,510)
	<u>11,214,516</u>	<u>9,981,573</u>

	September 30, 2012	June 30, 2012
	Rupees (Un-Audited)	Rupees (Audited)
7. FIXED ASSETS		
Operating assets given on lease - tangible	194,457,464	161,924,663
Operating assets in own use - tangible	14,626,076	14,834,882
	<u>209,083,540</u>	<u>176,759,545</u>
7.1 Operating assets given on lease - tangible		
Opening book value	161,924,663	152,860,823
Add: Additions during the period	52,512,000	84,377,700
	<u>214,436,663</u>	<u>237,238,523</u>
Less: Deletions during the period - vehicles (at cost)	8,797,500	35,082,698
	<u>205,639,163</u>	<u>202,155,825</u>
Less: Depreciation during the period	12,653,526	56,169,868
	<u>192,985,637</u>	<u>145,985,957</u>
Add: Depreciation adjustments for assets sold during the period	1,471,827	15,938,706
Book value at the end of period	<u>194,457,464</u>	<u>161,924,663</u>
	-	-
7.2 Fixed assets in own use - tangible		
Opening book value	14,834,882	14,062,253
Add: Additions during the period	45,099	1,489,774
	<u>14,879,981</u>	<u>15,552,027</u>
Less: Deletions during the period - at cost	-	-
	<u>14,879,981</u>	<u>15,552,027</u>
Less: Depreciation during the period	253,906	717,145
	<u>14,626,075</u>	<u>14,834,882</u>
Add: Depreciation adjustments for assets sold during the period	-	-
Book value at the end of period	<u>14,626,075</u>	<u>14,834,882</u>
	-	-
8 CREDITORS, ACCURED AND OTHER LIABILITIES		
Other payables	3,170,953	5,853,066
Unclaimed dividends	9,878,675	9,878,675
Management fee payable	1,874,455	1,345,530
unearned income - Morahaba sale price	6,614,868	6,429,728
Security deposit against sale of property	2,030,000	2,030,000
	<u>23,568,952</u>	<u>25,536,999</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 October 08, 2012.		
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

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