

HALF YEARLY REPORT

DECEMBER 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. Namooos 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 of Human Resources

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

Mr. Shaikh Jamal Yousuf

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 Board of Directors of Al-Zamin Modaraba Management (Private) Limited has pleasure in presenting financial statements of Trust Modaraba for the half year ended on 31st December, 2012. Statutory Auditors, M/s Yousuf Adil Saleem & Company, Chartered Accountants have conducted limited scope review of the financial statements as per the requirements of the Code of Corporate Governance.

Economic Review:

Almost all the sectors of economy operated under utmost challenging circumstances due to prolonged internal political crises and worsening law and order situation. Energy shortages and high cost of input has left the country vulnerable to shifts in demand. Pakistan rupee has depreciated even further. Foreign investment has not picked up due to investor's concern related to governance, energy, security and also slows down in global economy. However, on the positive front, remittances from overseas remain a bright spot for Pakistan. Urgent attention of the economic managers is required to address long outstanding issues of energy production, governance, law and order to spur economic growth that is required to employ its growing population.

Performance:

Keeping itself aligned to the market realities, your Modaraba continued to build its operations on the fundamental principles of prudence and within the limited resources and market opportunities available. Asset base of the Modaraba increased from Rs. 400 million to Rs. 411 million during the half year ended on 31st December, 2012. Equity of the Modaraba also increased by Rs. 9.7 million during the period under consideration. Operating income of Rs. 45.0 million was earned during the period, major portion comprising of income from Ijarah transactions. Operating expenses were maintained at minimum level. Your Modaraba earned a profit of Rs. 10 million before Modaraba Management Company remuneration which as compared to the preceding comparative period translates into an increase of 44%. Recovery from past stuck up receivables is being pursued with focused attention. All out efforts are made to recover funds of certificate holders stuck up in past classified accounts, for which, on a case to case basis, recovery through sale of properties is also being pursued. Some of the major cases are at advance stage of conclusion. Your Management is confident of achieving substantial recoveries during the ensuing period, which will add to the operational strength of your Modaraba.

Your Management is committed to implement in letter and spirit the regulatory and Shariah compliance guidelines prescribed for Modarabas. Dr. Mohammad Zubair Usmani, a well known Shariah scholar has been appointed as Shariah Advisor of your Modaraba. His valuable advice and guidance is obtained as and when required to eliminate risk of possibility of any violation of Shariah principles by your Modaraba.

Earning per certificate:

Earning per certificate is Rs.0.30 for the six months period ended 31st December 2012 as compared to Rs.0.21 in corresponding period last year.

Future outlook:

Your management is committed to rebuild the operations of the Modaraba on sound footings. Keeping in view market trends and realities, every effort would be made to capitalize available opportunities for the benefit of all the stakeholders.

For and on behalf of the Board of Directors

Karachi.

Date: February 26th, 2013.



Basheer A. Chowdhry
Chief Executive

I have conducted the Shari'ah review of **Trust Modaraba** managed by **Al Zamin Modaraba Management (Private) Limited**, Modaraba Management Company for the Financial Half year ended **December 2012** in accordance with the requirements of the Shari'ah Compliance and Shari'ah Audit Mechanism for Modarabas and report that except the observations as reported hereunder, in my opinion:

- i. the Modaraba has introduced a mechanism which has strengthened the Shari'ah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shari'ah principles;
- ii. following were the major developments that took place during the year:
 - a) Research and new product development
 - Adopted new inducted Shari'ah Compliance and Shari'ah Audit Mechanism.
 - Followed Model Islamic Financing Agreements approved by Religious Board.
 - b) Training and Development
 - Training given to our Shari'ah Auditor
- iii. the agreement(s) entered into by the Modaraba are Shari'ah compliant and the financing agreement(s) have been executed on the formats as approved by the Religious Board and all the related conditions have been met;
- iv. to the best of my information and according to the explanations given to me, the business transactions undertaken by the Modaraba and all other matters incidental thereto are in conformity with the Shari'ah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shari'ah Compliance and Shari'ah Audit Regulations for Modarabas.
- v. profit sharing ratios, profit and charging of losses relating to any deposit raising product conform to the basis and principles of Shari'ah.
- vi. No earnings have been realized from the sources or by means prohibited by Shari'ah.

Observation(s) x

Recommendation(s)

- I recommend that training of staff the Trust Modaraba should be made for Islamic Mode of Finance by the Shari'ah Advisor or Authorized Training Institute.
- Assets which required Insurance should be arranged by Takaful companies

Conclusion x

Dated: February 20, 2013



Mufti Zubair Usmani
Shari'ah Advisor

Introduction

We have reviewed the accompanying condensed interim balance sheet of Trust Modaraba (the Modaraba) as at December 31, 2012, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity, and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and December 31, 2011 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2012.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of the person responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Without qualifying our conclusion, we draw attention to the matter stated in note 8.2.3 to this condensed interim financial information the ultimate outcome of which cannot presently be determined and, hence, no provision that may result there from has been made in these financial statements.

M.Yousaf Adil Saleem & Company Chartered Accountants

Engagement Partner: Talat Javed

Lahore

Dated: February 26th, 2013

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2012

	(Un-audited) December 31, 2012	(Audited) June 30, 2012
ASSETS		
Current assets		
Cash and bank balances	12,529,698	24,538,761
Short term investments	951,938	2,106,540
Advances, deposits, prepayments and other receivables	7,775,758	7,023,100
Short term murabaha finances	80,284,627	94,053,516
Short term diminishing musharakah finances	8,900,893	10,900,000
Current portion of long term murabaha finances	50,209,854	44,084,028
Current portion of long term diminishing musharakah finances	724,836	919,027
Ijara rental receivable	17,660,130	16,068,334
Accrued profit	3,622,079	3,409,529
Tax refunds due from government	956,471	946,780
Stock in trade	7,278,623	177,603
Total current assets	190,894,907	204,227,218
Assets classified as held for sale	1,890,526	1,890,526
Non-current assets		
Long term murabaha finances	16,067,302	6,216,554
Long term diminishing musharakah finances	-	286,976
Long term deposits	1,186,862	1,184,362
Long term investments - available for sale	10,056,776	9,981,573
Fixed assets	191,273,260	176,759,545
Total non-current assets	218,584,200	194,429,010
TOTAL ASSETS	411,369,633	400,546,754
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of customers' security deposits	33,021,990	33,758,135
Creditors, accrued and other liabilities	21,135,427	24,774,593
Total current liabilities	54,157,417	58,532,728
Non-current liabilities		
Deferred income on murabaha	2,524,123	762,406
Customers' security deposits	64,387,901	60,603,882
TOTAL LIABILITIES	121,069,441	119,899,016
NET ASSETS	290,300,192	280,647,738
REPRESENTED BY:		
CAPITAL AND RESERVES		
Certificate capital	298,000,000	298,000,000
Reserves	(7,699,808)	(17,352,262)
	290,300,192	280,647,738

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 14 form an integral part of this interim condensed financial information.



Chief Executive



Director



Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2012

Note	Six months ended		Three months ended	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
----- Rupees -----				
Operating income				
Income from leasing / ijarah operations	35,240,299	33,783,441	18,251,478	17,964,890
Profit on murabaha finances	5,481,052	6,190,515	3,072,111	3,319,117
Profit on musharka finances	1,461,597	739,209	636,141	406,469
Dividend income on equity investments	2,500	43,225	-	23,600
Profit on long term investment - available for sale	509,111	640,278	231,156	301,647
Profit on short term investment - held for trading	-	-	-	-
(Loss) / profit on sale of short term investment - held for trading	731,855	-	225,729	-
Profit on sale of long term investment - available for sale	324,260	-	262,087	-
Trading (loss) / income	-	(740,047)	-	(740,047)
Other income	10 1,415,228	1,032,678	725,905	882,593
	<u>45,165,902</u>	<u>41,689,299</u>	<u>23,404,607</u>	<u>22,158,269</u>
Reversal of provision against non performing murabaha finances and other receivable	401,000	2,348,332	-	2,348,332
Reversal / (Impairment) on investment - held for trading	<u>360,108</u>	<u>(466,494)</u>	<u>71,086</u>	<u>(410,712)</u>
	<u>45,927,010</u>	<u>43,571,137</u>	<u>23,475,693</u>	<u>24,095,889</u>
Depreciation on fixed assets given on lease / ijarah	25,935,020	27,502,603	13,281,494	14,510,014
Administrative expenses	9,826,712	8,465,958	5,318,164	4,588,436
Other charges	118,000	623,350	118,000	623,350
	<u>(35,879,732)</u>	<u>(36,591,911)</u>	<u>(18,717,658)</u>	<u>(19,721,800)</u>
	10,047,278	6,979,226	4,758,035	4,374,089
Modaraba management company's fee	<u>(1,004,728)</u>	<u>(697,923)</u>	<u>(475,804)</u>	<u>(437,409)</u>
Profit for the period before taxation	9,042,550	6,281,303	4,282,231	3,936,680
Taxation	11 -	-	-	-
Profit for the period	<u>9,042,550</u>	<u>6,281,303</u>	<u>4,282,231</u>	<u>3,936,680</u>
Earnings per certificate - basic and diluted	12 0.30	0.21	0.14	0.13

The annexed notes from 1 to 14 form an integral part of this interim condensed financial information.



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2012



	Six months ended		Three months ended	
	December 31	December 31	December 31	December 31
	2012	2011	2012	2011
	-----Rupees-----			
Profit for the period	9,042,550	6,281,303	4,282,231	3,936,680
Other comprehensive income				
(Deficit) / surplus on revaluation of available for sale investments	609,904	(1,068,687)	(276,289)	(555,654)
Total comprehensive income	<u>9,652,454</u>	<u>5,212,616</u>	<u>4,005,942</u>	<u>3,381,026</u>

The annexed notes from 1 to 14 form an integral part of this interim condensed financial information.



Chief Executive



Director



Director

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2012**

	Six months ended		Three months ended	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
	----- Rupees -----			
NET CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	9,042,550	6,281,303	4,282,231	3,936,680
Adjustment for :				
Depreciation	26,444,656	27,562,603	13,537,224	14,416,709
Gain on sale of investments	(324,260)	-	(190,173)	-
Gain on disposal of fixed assets	(515,739)	(588,182)	(208,362)	(411,727)
Unrealized loss on revaluation of term investment	(731,855)	466,494	(225,729)	234,258
Dividend income	(2,500)	(43,225)	-	(23,600)
	<u>33,912,852</u>	<u>33,678,993</u>	<u>17,195,191</u>	<u>18,152,320</u>
Changes in working capital :				
(Increase) / decrease in current assets				
Murabaha receivables	(2,207,685)	(955,931)	(3,101,935)	(3,984,119)
Ijarah rental receivables	(1,591,796)	(1,278,145)	(516,492)	(1,278,145)
Musharakah receivables	2,480,274	(1,054,000)	1,601,713	(54,000)
Accrued profit	(212,550)	(726,082)	234,705	(726,082)
Tax refunds due from government	(9,691)	(2,800)	(6,202)	(2,800)
Short term investments	1,886,457	-	924,715	-
Advances, deposits, prepayments and other receivables	(752,658)	(4,961,662)	593,926	(3,356,800)
Stock in trade	(7,101,020)	5,922,397	(7,101,020)	5,922,397
	<u>(7,508,669)</u>	<u>(3,056,223)</u>	<u>(7,370,589)</u>	<u>(3,479,549)</u>
Increase / (decrease) in current liabilities:				
Creditors accrued and other liabilities	(1,877,449)	3,627,124	90,599	9,724,130
Customers' security deposits	3,047,874	24,326,675	(11,655,901)	6,260,025
	<u>1,170,425</u>	<u>27,953,799</u>	<u>(11,565,302)</u>	<u>15,984,155</u>
Cash generated from operations	<u>27,574,608</u>	<u>58,576,569</u>	<u>(1,740,700)</u>	<u>30,656,926</u>
Dividend paid	-	(14,900,000)	-	(14,900,000)
Net cash from operating activities	<u>27,574,608</u>	<u>43,676,569</u>	<u>(1,740,700)</u>	<u>15,756,926</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to fixed assets	(64,644,369)	(67,548,200)	(12,087,269)	(23,407,985)
Sale proceeds on disposal of fixed assets	24,201,737	11,610,668	16,568,686	9,267,885
Sale / (Purchase) of long term investments-net	858,961	156,250	1,071,623	93,750
Long term deposits paid	(2,500)	(205,500)	(2,500)	(205,500)
Dividend received	2,500	43,225	-	23,600
Net cash used in investing activities	<u>(39,583,671)</u>	<u>(55,943,557)</u>	<u>5,550,540</u>	<u>(14,228,250)</u>
Net (decrease) / increase in the cash and cash equivalents	(12,009,063)	(12,266,988)	3,809,840	1,528,676
Cash and cash equivalents at the beginning of period	24,538,761	16,776,927	8,719,858	2,981,263
Cash and cash equivalents at the end of period	<u>12,529,698</u>	<u>4,509,939</u>	<u>12,529,698</u>	<u>4,509,939</u>

The annexed notes from 1 to 14 form an integral part of this interim condensed financial information.



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2012

	Certificate capital	Capital reserve		Revenue reserves		Total reserves	Total equity
		Statutory reserve	Unrealized gain/(loss) on revaluation of investments	Accumulated loss			
-----Rupees-----							
Balance as at July 01, 2011	298,000,000	55,106,639	(2,631,833)	(67,085,805)	(14,610,999)	283,389,001	
Profit for the period	-	-	-	6,281,303	6,281,303	6,281,303	
Other comprehensive income	-	-	(1,068,687)	-	(1,068,687)	(1,068,687)	
Total comprehensive income for the half year ended December 31, 2011	-	-	(1,068,687)	6,281,303	5,212,616	5,212,616	
Dividend @ Rs. 0.5 per certificate	-	-	-	(14,900,000)	(14,900,000)	(14,900,000)	
Balance at December 31, 2011	298,000,000	55,106,639	(3,700,520)	(75,704,502)	(24,298,383)	273,701,617	
Balance as at July 01, 2012	298,000,000	61,161,526	(2,582,872)	(75,930,916)	(17,352,262)	280,647,738	
Profit for the period	-	-	-	9,042,550	9,042,550	9,042,550	
Other comprehensive income	-	-	609,904	-	609,904	609,904	
Total comprehensive income for the half year ended December 31, 2012	-	-	609,904	9,042,550	9,652,454	9,652,454	
Balance as at December 31, 2012	298,000,000	61,161,526	(1,972,968)	(66,888,366)	(7,699,808)	290,300,192	

The annexed notes from 1 to 14 form an integral part of this interim condensed financial information.



Chief Executive



Director



Director

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Trust Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under and had been managed by Trust Management Services (Private) Limited. Its registration was cancelled by Registrar Modarabas vide his order dated August 20, 2007 and an Administrator was appointed to protect interest of the certificate holders. During last year, vide SECP Order dated 30-01-2009, the Administrator had ceased to hold his office with effect from 23 February 2009 and Al-Zamin Modaraba Management (Private) Limited (AMML) took over the control of the Modaraba along with its all assets, liabilities and contingencies and commitments. Under the terms of this take over arrangement, AMML had injected Rs. 25 million as certificate deposit money into the fund of the Modaraba against which Modaraba certificates had been issued to AMML.
- 1.2** The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharakahs, leasing, investment in marketable securities and other permissible businesses. The Modaraba commenced its business operations from November 12, 1991. It is listed on the Karachi, Lahore and Islamabad Stock Exchanges.

2. BASIS OF PREPARATION

These condensed interim financial information comprise of condensed interim balance sheet, condensed interim profit and loss, condensed interim cash flow statement and condensed interim statement of changes in equity together with selected explanatory notes forming part thereof. The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. It does not include all the information and disclosures made in the annual published audited financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba for the year ended June 30, 2012.

This condensed interim financial information is unaudited. However, limited scope review has been performed by the statutory auditors in accordance with the requirements of the provisions of the Code of Corporate Governance and these condensed interim financial information are being circulated to the certificate holders as required under the Modaraba Companies and Modaraba Rules, 1981.

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 June 30, 2012.

	(Un-audited) December 31 2012 Rupees	(Audited) June 30 2012 Rupees
4. CASH AND BANK BALANCES		
Cash in hand	4,052	67,417
Balances with banks in:		
Current accounts	10,683,038	5,601,870
Saving accounts	1,842,608	18,869,474
	12,525,646	24,471,344
	12,529,698	24,538,761
5. SHORT TERM INVESTMENTS		
Held for trading - shares of listed companies	1,193,726	3,146,090
Less: Unrealized loss on revaluation of held for trading investment	241,788	1,039,550
	951,938	2,106,540

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



6. STOCK IN TRADE

This represents goods purchased for trading purposes under other permissible businesses as mentioned in Note 1.2.

		(Un-audited) December 31 2012 Rupees	(Audited) June 30 2012 Rupees
7. LONG TERM INVESTMENTS - Available for sale			
Available for sale			
Equity securities - Listed		6,101,779	8,208,643
Certificates of mutual funds - Listed		528,702	528,702
Sukuk certificates - Listed		8,531,750	8,719,250
		<u>15,162,231</u>	<u>17,456,595</u>
Provision for diminution in value of investments (impairment)	7.1	(4,400,440)	(6,160,512)
		<u>10,761,791</u>	<u>11,296,083</u>
Unrealized gain / (loss) on revaluation of:			
Equity securities - Listed		766,366	209,424
Sukuk certificates - Listed		(1,471,381)	(1,523,934)
		<u>(705,015)</u>	<u>(1,314,510)</u>
		<u>10,056,776</u>	<u>9,981,573</u>

7.1 Provision for diminution in value of investments pertains to the equity securities and certificates of mutual funds.

8. FIXED ASSETS

Operating fixed assets given on lease (ijarah) - tangible	8.1	176,856,645	161,924,663
Operating fixed assets in own use - tangible	8.2	14,416,615	14,834,882
		<u>191,273,260</u>	<u>176,759,545</u>
8.1 Operating assets given on lease - tangible			
Opening book value		161,924,663	152,860,823
Add: additions during the period / year	8.1.1	64,553,000	84,377,700
		<u>226,477,663</u>	<u>237,238,523</u>
Less: disposals during the period / year			
Plant and equipments		36,475,330	1,500,000
Vehicles		21,224,960	33,514,698
Furniture and fixtures		140,000	68,000
Accumulated Depreciation		(34,154,292)	(15,938,706)
		<u>23,685,998</u>	<u>19,143,992</u>
		<u>202,791,665</u>	<u>218,094,531</u>
Less: depreciation during the period / year		25,935,020	56,169,868
Book value at end of the period / year		<u>176,856,645</u>	<u>161,924,663</u>
8.1.1 Additions during the period / year			
Plant and equipments		26,520,000	27,245,000
Vehicles		38,033,000	56,840,700
Furniture and fixtures		-	292,000
		<u>64,553,000</u>	<u>84,377,700</u>

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

		(Un-audited) December 31 2012 Rupees	(Audited) June 30 2012 Rupees
8.2	Fixed assets in own use - tangible		
	Opening book value	14,834,882	14,062,253
	Add: additions during the period / year	91,369	1,489,774
	Less: depreciation during the period / year	509,636	717,145
	Book value at end of the period / year	<u>14,416,615</u>	<u>14,834,882</u>
8.2.1	Additions during the period / year		
	Furniture and fixtures	-	104,800
	Office equipments	46,269	171,710
	Vehicles	-	42,605
	Lease hold improvements	-	292,739
	Electrical equipments	45,100	127,920
	Computer software	-	750,000
		<u>91,369</u>	<u>1,489,774</u>
8.2.2	Book value at end of the period / year		
	Land	11,106,200	11,106,200
	Furniture and fixtures	762,883	818,845
	Office equipments	655,791	651,436
	Vehicles	432,522	589,872
	Lease hold improvements	376,564	473,938
	Electrical equipments	478,486	465,424
	Computer software	604,169	729,167
		<u>14,416,615</u>	<u>14,834,882</u>

8.2.3 The present management, after taking over the control of Modaraba on February 23, 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 affect 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.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at December 31, 2012. Commitments in respect of unavailed murabaha facilities as on balance sheet date were Rs. Nil (2011: Rs. Nil), while commitments in respect of ijarah facilities are as follows:

Ijarah commitments

The Modaraba has entered into ijarah arrangements for assets. These arrangements have remaining terms of less than five years. Such arrangements also includes a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future ijarah payments due under these arrangements, as at December 31, 2012 are as follows:

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

	(Un-audited) December 31 2012 Rupees	(Audited) June 30 2012 Rupees
Within one year	1,466,868	1,466,868
After one year but not more than five years	1,713,560	2,446,994
	<u>3,180,428</u>	<u>3,913,862</u>

(Un-audited)			
Six months ended December 31 2012		Three months ended December 31 2011	
December 31 2012	December 31 2011	December 31 2012	December 31 2011
-----Rupees-----			

10. OTHER INCOME

Processing, documentation, other fees and charges	392,066	302,500	216,000	302,500
Gain on disposal of fixed assets	515,739	588,182	309,859	438,097
Miscellaneous income	507,423	141,996	200,046	141,996
	<u>1,415,228</u>	<u>1,032,678</u>	<u>725,905</u>	<u>882,593</u>

11. 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.

**12. EARNING PER CERTIFICATE
Basic and diluted**

Profit after taxation	9,042,550	6,281,303	4,282,231	3,936,680
Weighted average number of ordinary certificates in issue during the period	29,800,000	29,800,000	29,800,000	29,800,000
Earnings per certificate - basic and diluted	0.30	0.21	0.14	0.13

13. DATE OF AUTHORIZATION

These financial statements were authorized for issuance on February 26th, 2013 by the Board of Directors of Al-Zamin Modaraba Management (Private) Limited (the management company).

14. GENERAL

- 14.1** Corresponding figures have been rearranged, where necessary, for purpose of comparison. However, no significant reclassification has been made during the period.
- 14.2** Figures have been rounded off to the nearest rupee.



Chief Executive



Director



Director

BOOK POST

**301-320, 3rd Floor, Garden Heights, 8-Aibak Block,
New Garden Town, Lahore
Tel: (042) -35941957-8 Fax: (042) 35866513
Web: www.trustmodaraba.com**