

**QUARTERLY REPORT**  
MARCH 31, 2013

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

**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 &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



## DIRECTORS' REPORT

The Board of Directors of Al-Zamin Modaraba Management (Private) Limited has pleasure in presenting financial statements of Trust Modaraba for the quarter ended on 31st March, 2013.

### Economic Review:

Overall performance of the country remained subdued as the deteriorating law and order situation, excessive fiscal deficit, falling investments and power outages weighed heavily on the economy. Energy crises continued unabated making it unlikely for the country to attain projected GDP target, which is dire need to generate adequate employment and meaningful poverty reduction. It would not be out of place to mention that political confrontations restricted policy makers to focus on macro-economic problems specially energy crises. On the positive front, stock market continued to remain bullish on the back of healthy foreign inflows and cut in the discount rates. However, with the elections now round the corner, investors are reluctant to take long term view. All eyes are now focused on the outcome of forthcoming elections.

### Performance:

Yours Modaraba continued to make steady progress in business development, product diversification and profitability. Total income stood at Rs. 68.563 million for three quarters ending 31st March, 2013 depicting an increase of 7% as compared to the preceding period. Operating expenses remained within the budget, the increase being on account of inflationary pressure. Total income after accounting for all expenses stood at Rs. 12.9 million as at 31st March, 2013 as compared to Rs. 9.7 million for the comparable period of the previous year. Assets base of the Modaraba stood at Rs. 422 million with an equity of Rs. 294.4 million as at 31st March, 2013, Intense efforts are being made to recover maximum amounts against previous stuck up receivables which would provide valuable addition to the financial resources of your Modaraba.

### Earning per certificate:

Earning per certificate is Rs. 0.43 for the three quarter period ended on 31st March, 2013 as compared to Rs. 0.33 for the corresponding period of the previous year.

### Future outlook:

Your management is committed to achieve growth and profitability in the operating performance of the Modaraba for the benefit of all the stakeholders.

For and on behalf of the Board of Directors

Karachi.  
Date: April 24, 2013

Basheer A. Chowdry  
Chief Executive

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
AS AT MARCH 31, 2013



Trust Modaraba

	Note	March 31, 2013 Rupees (Un-Audited)	June 30, 2012 Rupees (Audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	4.	19,453,472	24,538,761
Short term investments	5.	412,870	2,106,540
Advances, deposits, prepayments and other receivables		31,605,685	27,447,743
Murabaha receivables		138,288,471	144,354,098
Musharakah receivables		12,725,657	12,106,003
Stock in trade		5,264,923	177,603
<b>Total current assets</b>		<b>207,751,077</b>	<b>210,730,747</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		1,303,962	1,184,362
Long term investments - available for sale	6.	8,890,482	9,981,573
Fixed assets	7.	202,191,511	176,759,545
<b>Total non-current assets</b>		<b>212,385,955</b>	<b>187,925,480</b>
<b>TOTAL ASSETS</b>		<b>422,027,559</b>	<b>400,546,754</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Creditors, accrued and other liabilities		23,757,035	25,536,999
<b>Total current liabilities</b>		<b>23,757,035</b>	<b>25,536,999</b>
<b>Non-current liabilities</b>			
Customers' security deposits		103,843,731	94,362,017
<b>Certificate holders' equity</b>			
Certificate capital		298,000,000	298,000,000
Reserves		(3,573,208)	(17,352,262)
<b>Total certificate holders' equity</b>		<b>294,426,792</b>	<b>280,647,738</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>422,027,559</b>	<b>400,546,754</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	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 ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2013

	Quarter ended		Nine months ended	
	March 31 2013	March 31 2012	March 31 2013	March 31 2012
<b>Note</b>	----- Rupees -----			
<b>Operating income</b>				
Income from leasing / ijarah operations	19,081,396	17,505,675	54,321,695	51,289,116
Profit on murabaha finances	2,714,027	2,784,264	8,195,079	8,974,779
Profit on musharakah finances	669,752	482,432	2,131,349	1,221,641
Dividend income	9,765	24,520	12,265	67,745
Profit on long term investment-available for sale	218,996	293,583	728,107	933,861
Profit on sale of short term investment-held-for-trading	(13,259)	31,247	718,596	31,247
Profit on sale of long term Investment-available-for-sale	(2,273)	427,107	321,987	427,107
Trading (Loss)/ Income	-	-	-	(740,047)
Other income	718,807	418,337	2,134,035	1,451,015
	<b>23,397,211</b>	<b>21,967,165</b>	<b>68,563,113</b>	<b>63,656,464</b>
(Addition)/reversal of provision against non performing murabaha finances & other receivable	200,000	61,456	601,000	2,409,788
Reversal / (impairment) on available for sale investments	11,328	739,443	371,436	272,949
	<b>23,608,539</b>	<b>22,768,064</b>	<b>69,535,549</b>	<b>66,339,201</b>
<b>Operating costs</b>				
Depreciation on operating assets given on lease/ijarah	13,800,464	14,642,760	39,735,484	42,145,363
Administrative expenses	5,530,160	4,255,391	15,356,872	12,721,349
Other charges	-	-	118,000	623,349
	<b>(19,330,624)</b>	<b>(18,898,151)</b>	<b>(55,210,356)</b>	<b>(55,490,061)</b>
	<b>4,277,916</b>	<b>3,869,913</b>	<b>14,325,194</b>	<b>10,849,140</b>
Modaraba company's management fee	(427,792)	(386,991)	(1,432,519)	(1,084,914)
Profit/(loss) for the period before taxation	3,850,124	3,482,922	12,892,674	9,764,226
Taxation	9	-	-	-
Profit/(loss) for the period	<b>3,850,124</b>	<b>3,482,922</b>	<b>12,892,674</b>	<b>9,764,226</b>
Earnings/(loss) per certificate - basic and diluted	0.13	0.12	0.43	0.33



Chief Executive



Director



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2013**



	Quarter ended		Nine months ended	
	March 31 2013	March 31 2012	March 31 2013	March 31 2012
	-----Rupees-----			
Profit / (loss) for the period	3,850,124	3,482,922	12,892,674	9,764,226
Other comprehensive income				
(Deficit)/surplus on revaluation of available for sale investments	276,476	868,281	886,380	(200,406)
<b>Total comprehensive income</b>	<b>4,126,600</b>	<b>4,351,203</b>	<b>13,779,054</b>	<b>9,563,820</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 (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2013

	Quarter ended		Nine months ended	
	March 31 2013	March 31 2012	March 31 2013	March 31 2012
	Rupees	Rupees	Rupees	Rupees
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit/(loss) before taxation	3,850,124	3,482,922	12,892,674	9,764,226
Add / (less) adjustment for :				
Depreciation	14,061,418	14,832,967	40,506,074	42,650,644
Impairment loss on investments	276,476	868,247	886,380	(200,406)
(Gain)/Loss on disposal of fixed assets	(144,764)	(115,991)	(660,503)	(704,173)
Dividend income	(9,765)	(24,520)	(12,265)	(67,745)
	14,183,365	15,560,703	40,719,686	41,678,320
Cash flows from operating activities before changes in working capital	18,033,489	19,043,625	53,612,360	51,442,546
Changes in working capital :				
Decrease/(increase) in current assets:				
Murabaha receivables	8,273,312	635,657	6,065,627	(320,275)
Musharakah receivables	(3,099,928)	(2,138,406)	(619,654)	(2,976,406)
Short term investment	539,068	(611,944)	1,693,669	(145,449)
Advances, deposits, prepayments and other receivables	(1,708,346)	3,596,401	(4,277,542)	(3,793,773)
Stock in trade	2,013,700	-	(5,087,320)	5,922,397
	6,017,805	1,481,708	(2,225,219)	(1,313,506)
Increase / (decrease) in current liabilities:				
Creditors, accrued and other liabilities	97,484	(7,242,952)	(1,779,964)	(3,615,832)
Customers' security deposits	6,433,840	1,053,940	9,481,714	25,380,616
	6,531,324	(6,189,012)	7,701,750	21,764,784
Dividend paid	-	-	-	(14,900,000)
Net cash / flow from operating activities	30,582,617	14,336,320	59,088,890	56,993,824
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Fixed capital expenditure (including assets given on lease/ijarah)	(27,974,314)	(6,927,186)	(92,618,683)	(72,730,474)
Sale proceeds of fixed assets (including assets given on lease/ijarah)	3,139,409	1,785,178	27,341,146	11,395,846
Long term investments	1,166,297	(140,542)	1,091,093	1,084,360
Dividend received	9,765	24,520	12,265	67,745
Net cash flow from investing activities	(23,658,843)	(5,258,030)	(64,174,179)	(60,182,523)
Net increase in the cash and cash equivalents	6,923,774	9,078,290	(5,085,289)	(3,188,698)
Cash and cash equivalents at the beginning of period	12,529,698	4,509,939	24,538,761	16,776,927
Cash and cash equivalents at the end of period	19,453,472	13,588,229	19,453,472	13,588,229

The annexed notes from 1 to 12 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 PERIOD ENDED MARCH 31, 2013

	Certificate capital	Capital Reserve		Revenue Reserves		Total Reserves	Total Equity
		Statutory reserve	"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 quarter ended 31 March 2012			(200,406)	9,764,226	9,563,820	9,563,820	
Dividend Paid				(14,900,000)	(14,900,000)	(14,900,000)	
<b>Balance as at 31 March 2012</b>	<b>298,000,000</b>	<b>55,106,639</b>	<b>(2,832,240)</b>	<b>(72,221,579)</b>	<b>(19,947,179)</b>	<b>278,052,821</b>	
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 quarter ended 31 March 2013	-	-	886,380	12,892,674	13,779,054	13,779,054	
<b>Balance as at 31 March 2013</b>	<b>298,000,000</b>	<b>61,161,526</b>	<b>(1,696,492)</b>	<b>(63,038,244)</b>	<b>(3,573,208)</b>	<b>294,426,792</b>	

-----Rupees-----

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

Chief Executive

Director

Director

## NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2013

### 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 by 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

	March 31, 2013	June 30, 2012
	Rupees (Un-Audited)	Rupees (Audited)
<b>4. CASH AND BANK BALANCE</b>	70,711	67,417
Balance with banks in:		
Current Accounts	1,878,974	5,601,870
Deposit Accounts	17,503,786	18,869,474
	19,382,761	24,471,344
	19,453,472	24,538,761
<b>5. SHORT TERM INVESTMENTS</b>		
Held for trading - shares of listed companies	433,540	3,146,090
Less: Unrealized loss on revaluation of held for trading investment	(20,670)	(1,039,550)
	412,870	2,106,540
<b>6. LONG TERM INVESTMENTS - Available for sale</b>		
Available for sale		
Shares of listed companies	2,104,691	8,208,643
Certificates of mutual funds	-	528,702
Sukuk certificates	8,313,000	8,719,250
	10,417,691	17,456,595
Provision for diminution in value of investments (impairment)	(55,828)	(6,254,290)
	10,361,863	11,202,305
Provision Unrealized gain/(loss) on revaluation of investments	(1,471,381)	(1,220,732)
	8,890,482	9,981,573
<b>7. FIXED ASSETS</b>		
Operating assets given on lease - tangible	187,776,682	161,924,663
Operating assets in own use - tangible	14,414,828	14,834,882
	202,191,510	176,759,545
<b>7.1 Operating assets given on lease - tangible</b>		
<b>Opening book value</b>	161,924,663	152,860,823
Add: Additions during the period	92,223,000	84,377,700
	254,147,663	237,238,523
Less: Deletions during the period - vehicles (at cost)	67,791,291	35,082,698
	186,356,372	202,155,825
Less: Depreciation during the period	39,735,484	56,169,868
	146,620,888	145,985,957
Add: Depreciation adjustments for assets sold during the period	41,155,794	15,938,706
Book value at the end of period	187,776,682	161,924,663

**SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2013**



Trust Modaraba

	March 31, 2013	June 30, 2012
	Rupees (Un-Audited)	Rupees (Audited)
7.2 Fixed assets in own use - tangible		
Opening book value	14,834,882	14,062,253
Add: Additions during the period	395,683	1,489,774
	15,230,565	15,552,027
Less: Deletions during the period - at cost	87,400	-
	15,143,165	15,552,027
Less: Depreciation during the period	770,590	717,145
	14,372,575	14,834,882
Add: Depreciation adjustments for assets sold during the period	42,253	-
Book value at the end of period	14,414,828	14,834,882

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 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.

**8. CONTINGENCIES AND COMMITMENTS**

There has been no significant change in contingences 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, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Profit after taxation	3,850,124	3,482,922	12,892,674	9,764,226
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	0.13	0.12	0.43	0.33

**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 April 24, 2013

**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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