

QUARTERLY REPORT
September 30, 2015

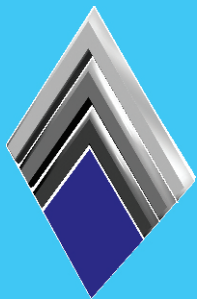
Ijarah

Murabaha

Musharaka

Equities

Trading



Trust Modaraba

Managed By:

Al-Zamin Modaraba Management (Pvt) Ltd



Trust Modaraba

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**Modaraba Company**

Al-Zamin Modaraba Management (Private) Limited

Board of Directors

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

Chairman
 Chief Executive
 Director
 Director
 Director
 Director
 Director

Management

Mr. Basheer Ahmed Chowdry
 Ms. Hamida Aqeel
 Mr. Ijaz Ahmed Khan
 Ms. Roomana Nasir

Chief Executive
 Chief Operating Officer/ Company Secretary
 Chief Financial Officer/ Regional Head
 Head of Human Resources

Audit Committee

Mr. Syed Shahnawaz A. Rizvi
 Mr. Shaikh Arshad Farooq
 Mr. Sohail Ansar
 Ms. Hamida Aqeel

Chairman
 Member
 Member
 Secretary Audit Committee

Internal Auditors

M/s Feroze Sharif Tariq & Co.
 Chartered Accountants

Auditors of the Modaraba

Deloitte Yousaf Adil
 Chartered Accountants

Bankers

Meezan Bank Limited
 Bank Alfalah Limited – Islamic Banking

Legal Advisors

Shakeel Ahmed Awan
 Advocate, Supreme Court of Pakistan
 S&B Durrani Law Associates
 Sameera Usto & Associates

Registered Office/Principal Place of Business

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

Regional Office

301-320, 3rd Floor, Garden Heights, 8- Aibak Block, New Garden Town, Lahore
 Telephone: 042-35941957-8 Fax : 042-35866513

Gujranwala Branch

51-A, Adjacent Standard Chartered Bank, Trust Plaza, G.T. Road, Gujranwala.
 Telephone: 055-3730308, 055-3730300 Fax: 055-3731108

Registrars

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



Trust Modaraba

DIRECTORS' REPORT

The Directors of Al-Zamin Modaraba Management (Private) Limited take pleasure in presenting the financial statements of Trust Modaraba for the quarter ended 30th September 2015.

ECONOMY REVIEW

Industrial growth was hobbled by a slowdown in large-scale manufacturing to 3.3% owing to continued power shortages and weaker external demand. Agriculture growth remained modest at 2.9%. Prospects for large-scale manufacturing remain subject to progress on power supply. Plans to build an economic corridor linking Kashgar in the People's Republic of China to the Pakistani port of Gwadar were announced in April, and this mega project could significantly boost private investment and growth in the coming years. GDP growth is expected to edge up to 4.5% in the financial year 2016.

PERFORMANCE REVIEW

Your Modaraba continued to make steady progress in business development and profitability. Total income of the Modaraba was recorded at Rs.21.719 million during the quarter. The Modaraba has earned a profit of Rs.4.553 million for the quarter before management fee as compared to preceding quarter last year Rs.3.424 million depicting an increase of 33%. Assets based of the Modaraba stood at Rs.398.048 million with equity of Rs.313.265 as at 30th September 2015.

EARNING PER CERTIFICATE

Earning per certificate of your Modaraba is Rs.0.14 per certificate for the quarter ended 30th September 2015 as compared to Rs.0.10 Per certificate in the corresponding period last year.

FUTURE OUTLOOK

Your management is committed to show continued improvement in the operating performance of the Modaraba for the benefit of all stakeholders.

For and on behalf of the Board of Directors

Basheer A. Chowdry
Chief Executive

Karachi
Date: 28th October, 2015

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 2015**



Trust Modaraba

		September 30, 2015	Jun-30 2015
	Note	-----Rupees-----	
		(Un-Audited)	(Audited)
ASSETS			
Current Assets			
Cash and bank balances		16,388,012	827,212
Short term investments	4	5,430,633	5,945,191
Advances, deposits, prepayments and other receivables	5	34,679,649	35,534,063
Short term murabaha finances		50,021,084	50,726,084
Current portion of long term murabaha finances		77,143,101	73,519,602
Ijarah rental receivables		21,995,848	21,457,799
Short term musharakah finances		4,202,110	4,302,110
Current portion of long term musharakah finances		962,934	1,176,219
Accrued profit		2,348,195	2,165,534
Tax refunds due from Government		3,133,188	3,008,734
Stock in trade		5,196,208	6,663,708
Total Current Assets		221,500,961	205,326,256
Assets classified as held for sale		-	2,100,000
Non-Current Assets			
Long term murabaha finances		26,549,683	31,306,148
Long term musharakah finances		1,311,366	1,123,536
Long term deposits		1,780,740	1,780,740
Long term investments	6	8,955,688	6,314,040
Fixed assets	7	137,949,729	163,491,407
Total Non-Current Assets		176,547,206	204,015,871
Total Assets		398,048,167	411,442,127
LIABILITIES			
Current Liabilities			
Current portion of customers' security deposits		11,344,205	22,031,755
Creditors, accrued and other liabilities	8	22,980,587	24,960,466
Total Current Liabilities		34,324,792	46,992,221
Non-Current Liabilities			
Deferred income on murabaha		5,370,219	4,848,493
Customers' security deposits		45,088,240	49,542,440
Total Liabilities		84,783,251	101,383,154
NET ASSETS		313,264,917	310,058,973
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital		298,000,000	298,000,000
Reserves		15,264,917	12,058,973
		313,264,917	310,058,973
CONTINGENCIES AND COMMITMENTS			
		-	-

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR



Trust Modaraba

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	<i>September 30, 2015</i>	<i>September 30, 2014</i>
Rupees.....	
	(Un-Audited)	(Un-Audited)
Operating income		
Income from leasing / ijarah operations	16,237,698	16,187,573
Profit on murabaha finances	3,380,096	3,504,869
Profit on musharakah finances	361,087	1,121,978
Dividend income	41,744	20,000
Profit on long term investment-available for sale	-	180,052
Profit on sale of short term investment-held-for-trading	328,130	42,358
Trading income	88,688	250,740
Other income	1,281,221	157,677
	21,718,664	21,465,247
Reversal / (Provision) against non performing finances and other receivables-net	82,830	(63,803)
	21,801,494	21,401,444
Operating costs		
Depreciation on operating assets given on lease/ijarah	10,745,150	11,432,790
Administrative expenses	6,482,852	6,544,795
Other charges	20,852	-
	(17,248,854)	(17,977,585)
	4,552,640	3,423,859
Modaraba company's management fee	(455,264)	(342,386)
Profit for the period before taxation	4,097,376	3,081,473
Taxation	-	-
Profit for the period	4,097,376	3,081,473
Earnings per certificate basic -and diluted	0.14	0.10

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**



Trust Modaraba

	September 30, 2015 Rupees	September 30, 2014 Rupees
Profit for the period	4,097,376	4,584,973
Other comprehensive Income		
Net change in fair value of available-for-sale investment	(891,432)	186,199
Total comprehensive income for the year	3,205,944	4,771,172

The annexed notes from 1 to 12 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

		September 30, 2015	September 30, 2014
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Profit for the year		4,097,376	3,081,474
Adjustments for :			
Depreciation	7.1	10,882,928	11,679,927
Impairment loss on investments		(891,432)	-
Gain on disposal of fixed assets		(854,426)	-
Dividend income		(41,744)	(20,000)
		9,095,326	11,659,927
Cash from operating activities before changes in working capital		13,192,702	14,741,401
Changes in working capital			
(Increase) / decrease in operating assets:			
Short term investments		514,558	(602,984)
Advances, deposits, prepayments and other receivables		671,753	(2,268,206)
Short term murabaha finances		(2,918,499)	(4,081,948)
Long term murabaha finances		4,756,465	8,348,399
Ijarah rental receivables		(538,049)	(1,881,456)
Short term musharakah finances		313,285	3,908,361
Long term musharakah finances		(187,830)	(345,742)
Stock in trade		1,467,500	525,133
		4,079,183	3,601,557
Increase / (decrease) in operating liabilities:			
Creditors, accrued and other liabilities		(1,458,153)	(2,641,629)
Customers' security deposits		(15,141,750)	1,267,000
		(16,599,903)	(1,374,629)
Cash from operating activities		671,982	16,968,329
Taxes paid		(124,454)	(38,115)
Net cash generated from operating activities		547,528	16,930,214
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure (including assets given on ijarah)	7.1	(18,846,200)	(21,560,146)
Sale proceeds of fixed assets (including assets given on ijarah)		25,604,376	4,409,128
Advance to Supplier		8,755,000	-
Sale of Investments - net		(2,641,648)	343,750
Expenditure on held for sale assets		2,100,000	-
Long term deposits paid during the year		-	55,500
Dividend received		41,744	20,000
Net cash used in investing activities		15,013,272	(16,731,768)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net (decrease) / increase in the cash and cash equivalents		15,560,800	198,446
Cash and cash equivalents at the beginning of year		827,212	2,419,130
Cash and cash equivalents at the end of year		16,388,012	2,617,576

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015**

	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 2014	298,000,000	69,813,812	(1,928,891)	(59,201,774)	8,683,147	306,683,147
Total comprehensive income for the period ended 30 September 2014			-	3,081,474	3,081,474	3,081,474
Balance as at 30 September 2014	298,000,000	69,813,812	(1,928,891)	(56,120,300)	11,764,621	309,764,621
Balance as at 01 July 2015	298,000,000	73,294,987	(1,058,938)	(60,177,076)	12,058,973	310,058,973
Total comprehensive income for the period ended 30 September 2015	-	-	(891,432)	4,097,376	3,205,944	3,205,944
Balance as at 30 September 2015	298,000,000	73,294,987	(1,950,370)	(56,079,700)	15,264,917	313,264,917

The annexed notes from 1 to 12 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR



SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Trust Modaraba was formed in Pakistan under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and 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, tradings and other permissible businesses. The Modaraba commenced its business operations from 12 November 1991. The Principal place of business and registered office is located at 104-106, Kassam Court BC-9 Block-5, Clifton, Karachi-75600 while regional office is located at 301,320,3rd Floor, Garden Heights, 8-Aibak Block, New Garden Town, Lahore. 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 2015.

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 2015

4. SHORT TERM INVESTMENTS

Financial assets at fair value through profit and loss - Held-for-trading

	September 30, 2015 Rupees (Un-Audited)	June 30, 2015 Rupees (Audited)
NIT Islamic Unit Fund	2,000,000	2,000,000
Shares of listed companies - at cost	4.1 3,665,517	4,159,223
Unrealized (loss) on revaluation of held-for-trading investments	4.2 (234,884)	(214,032)
	5,430,633	5,945,191

	September 30, 2015		June 30, 2015	
	cost	value	cost	value
4.1 Shares of listed companies	-----Rupees-----			
Pakistan Telecommunication Company Ltd	-	-	720,736	512,500
Nil (2015 : 25,000) ordinary shares of Rupees 10 each fully paid				
Mari Petroleum Company Ltd	-	-	2,352,917	2,343,000
Nil (2015 : 5,000) ordinary shares of Rupees 10 each fully paid				
Honda Atlas Car Ltd	-	-	227,993	218,680
Nil (2015 : 1,000) ordinary shares of Rupees 10 each fully paid				
Treet Corporation Ltd.	228,315	178,530	117,846	108,225
3,000 (2015 : 1,500) ordinary shares of Rupees 10 each fully paid				
K Electric Ltd.	125,754	105,900	89,037	84,200
15,000 (2015 : 10,000) ordinary shares of Rupees 10 each fully paid				
DG Khan Cement Company Ltd	-	-	66,244	71,386
Nil (2015 : 500) ordinary shares of Rupees 10 each fully paid				
FF Bin Qasim Ltd	-	-	584,450	553,200
Nil (2015 : 10,000) ordinary shares of Rupees 10 each fully paid				

**SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**



Trust Modaraba

Lucky Cement Ltd	1,114,371	1,153,400	-	-
2,000 (2015 : Nil) ordinary shares of Rupees 10 each fully paid				
Kohinoor Textile Mills Ltd	318,768	317,475	-	-
4,500 (2015 : Nil) ordinary shares of Rupees 10 each fully paid				
Lotte Pak PTA	121,604	94,950	-	-
15,000 (2015 : Nil) ordinary shares of Rupees 10 each fully paid				
Sui North Gas Pipeline Ltd	419,687	392,875	-	-
12,500 (2015 : Nil) ordinary shares of Rupees 10 each fully paid				
Sui South Gas Company Ltd	945,746	741,600	-	-
20,000 (2015 : Nil) ordinary shares of Rupees 10 each fully paid				
Searle Pak	391,272	391,903	-	-
1,000 (2015 : Nil) ordinary shares of Rupees 10 each fully paid				
	<u>3,665,517</u>	<u>3,376,633</u>	<u>4,159,223</u>	<u>3,891,191</u>

4.2 It also includes unrealized revaluation gain on NIT Islamic Unit Fund of Rs. 54,000 (2015: Rs. 54,000).

	September 30, 2015 Rupees (Un-Audited)	June 30, 2015 Rupees (Audited)
5. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances to employees against salary - considered good	153,500	271,029
Security deposits	4,500	4,500
Prepayments	2,093,240	1,589,808
Due from brokers against sale of shares	265,553	583,019
Trade receivables	17,549,823	18,505,321
Receivable from Trust Management Services (Pvt.) Ltd.	1,489,036	1,489,036
Provision for doubtful receivables	(1,489,036)	(1,489,036)
	-	-
Legal suits charges receivable	1,509,973	1,509,973
Provision for doubtful receivables	(833,723)	(833,723)
	676,250	676,250
Late payment charges receivable	3,192,155	3,192,155
Suspended income	(3,192,155)	(3,192,155)
	-	-
Sundry receivables	14,359,370	14,326,723
Provision for doubtful sundry receivables	(422,587)	(422,587)
	13,936,783	13,904,136
	<u>34,679,649</u>	<u>35,534,063</u>
6. LONG TERM INVESTMENTS		
Available for sale		
Equity securities	3,971,620	438,540
Sukuk certificates	5,875,500	5,875,500
Total investment at cost	9,847,120	6,314,040
Unrealized gain/(loss) on revaluation of investments	(891,432)	-
Net investments at fair value	<u>8,955,688</u>	<u>6,314,040</u>



**SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	September 30, 2015	June 30, 2015
	Rupees (Un-Audited)	Rupees (Audited)
7. FIXED ASSETS		
Operating fixed assets in own use - Intangible	-	-
Advances to supplier	1,676,000	10,431,000
Operating fixed assets given on lease (ijarah) - tangible	122,741,680	139,426,280
Operating fixed assets in own use - tangible	13,532,049	13,634,127
	137,949,729	163,491,407
7.1 Operating assets given on lease - tangible		
Opening book value	139,426,280	155,457,489
Add: Additions during the period	13,497,500	58,031,097
	152,923,780	213,488,586
Less: Deletions during the period		
- (at cost)	45,414,502	62,714,949
	107,509,278	150,773,637
Less: Depreciation during the period	10,745,150	45,139,275
	96,764,128	105,634,362
Add: Depreciation adjustments for assets sold during the period	25,977,552	33,791,918
Book value at the end of period	122,741,680	139,426,280
7.2 Fixed assets in own use - tangible		
Opening book value	13,634,127	13,294,696
Add: Additions during the period	5,348,700	926,917
	18,982,827	14,221,613
Less: Deletions during the period - at cost	5,313,000	-
	13,669,827	14,221,613
Less: Depreciation during the period	137,778	587,486
	13,532,049	13,634,127
Add: Depreciation adjustments for assets sold during the period	-	-
Book value at the end of period	13,532,049	13,634,127
8. CREDITORS, ACCURED AND OTHER LIABILITIES		
Accrued expenses	14,573	95,570
Management fee payable	2,389,250	1,933,986
Deferred income on murabaha	7,746,554	9,971,677
Security deposit	40,000	40,000
Unclaimed dividends	11,792,237	11,798,787
Other liabilities	997,973	1,120,446
	22,980,587	24,960,466
9. ADMINISTRATIVE EXPENSES		
Salaries, allowances and other benefits	2,405,290	2,350,494
Legal and professional charges	300,000	75,000
Fees and subscription	480,033	743,696
Electricity, gas and water	261,952	313,164
Telephone, postage and courier	117,496	120,912
Rent, Rate & Taxes	410,639	397,561
Printing and stationery	48,338	43,478
Traveling and conveyance	15,750	45,020
Entertainment	147,100	116,410
Insurance	989,315	925,525
Vehicle running and maintenance	549,478	501,834
Newspaper & Periodicals	5,281	4,373
Repairs and maintenance	265,084	225,223
Depreciation on own assets	137,778	247,137
Bank charges and commission	5,437	6,207
Miscellaneous	35,015	56,238
Lease rental expense - vehicle	306,066	368,123
Sales tax	2,800	4,400
	6,482,852	6,544,795

**SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**



10. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in their meeting held on October 2, 2015 has approved dividend for the year ended June 30, 2015 @ 4.25% (2014:5%).

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 October, 2015.

12. GENERAL

12.1 Corresponding figures have been rearranged and restated for better presentation, where necessary.

12.2 Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

BOOK POST

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