

**HALF YEARLY REPORT**  
December 31, 2013

Ijarah

Murabaha

Musharaka

Equities

Trading



**Trust Modaraba**

Managed By:

Al-Zamin Modaraba Management (Pvt) Ltd



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Trust Modaraba

## CORPORATE INFORMATION

### 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

### Head of Internal Audit

Mr. Abid Saghir Farooqi

### Auditors of the Modaraba

M. Yousaf Adil Saleem & Co.

### Bankers

Meezan Bank Limited  
Bank Alfalah Limited – Islamic Banking

### Legal Advisors

Shakeel Ahmed Awan  
Advocate, Supreme Court of Pakistan

### 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



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 31<sup>st</sup> December, 2013, duly reviewed by the external auditors in compliance of Code of Corporate Governance.

**Economy Review:**

Pakistan economy has performed reasonably well in financial year 2012-2013 as inflation declined to single digit and exports remained almost at last year levels. Future prospects of the national economy also look promising in view of certain factors.

Foreign exchange remittances are likely to surpass the figure of sixteen billion dollars this year. Secondly, apart from this ever increasing source of foreign exchange earnings, there is a hope of opening of another window of opportunity in the near future. NATO forces are scheduled to leave Afghanistan this year and the country is likely to experience massive reconstruction activity. This in turn is likely to pass a big chunk of allied benefits to Pakistan especially through our robust cement manufacturing sector. Moreover, the city of Dubai has been assigned EXPO by the world body in the year 2020 which is also going to result into gigantic real estate development in the UAE. This would also be opening new avenues for our cement manufacturers which is likely to give a boost to our cement exports for few years.

The privatization of state owned enterprises is a corner stone of the policies of the political party in power. Some 200 state-owned enterprises loose every year a colossal amount of Rupees Five Hundred Billion which translates into a loss of Rs.1.5 Billion a day to the national exchequer. Following their own Election Manifesto meticulously, the present government may achieve results beyond their expectations and help our country get out of financial crisis within a very short period of time.

The scenario as such looks fairly promising and the fallout of intelligently drawn and accurately executed financial policies will directly be felt by the financial institutions of the country.

**Performance Review:**

During the period under review, operating income increased to Rs.50.415 million, as compared to corresponding period last year's Rs.45.165 million, translating into an increase of 11%, major portion comprising of income from ijarah transactions. The net profit for the half year before management fee amounts to Rs.9.072 million. The period under consideration witnessed cash outflow of Rs.16.55 million as dividend distribution to the certificate holders.

Asset based of the Modaraba stood at Rs.410 million during the half year ended on 31<sup>st</sup> December 2013. Total certificate holder's equity stood at Rs.295 million as on 31<sup>st</sup> December 2013. Every effort is being made to recover funds from the defaulters through courts as well as out of court settlements.

**Earning per Certificate:**

Earning per certificate is Rs.0.27 for the six month ended 31<sup>st</sup> December 2013 as compare to Rs.0.30 in the corresponding period last year.

**Future Outlook:**

Your management is committed to achieve constant improvement in operating performance of your Modaraba.

For and on behalf of the Board of Directors

Basheer A. Chowdry  
Chief Executive

Karachi  
February 24, 2014.



I have conducted the Shariah Review of **Trust Modaraba** managed by **Al Zamin Modaraba Management (Private) Limited**, for the financial half year ended **31st December, 2013** in accordance with the requirements of the Shariah Compliance and Shariah 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 Shariah compliance, in letter and spirit and the systems, procedures and policies adopted by the Modaraba are in line with the Shariah principles;
- ii. the agreements entered into by the Mordaraba are Shariah compliant and the financing agreements have been executed on the formats as approved by the Religious Board and all the related conditions have been met.
- iii. 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 Shariah requirements as well as the requirements of the Prospectus, Islamic Financial Accounting Standards as applicable in Pakistan and the Shariah Compliance and Shariah Audit Regulations for Modarabas.
- iv. profit sharing ratios, profit and charging of losses relating to any deposit raising product conform to the basis and principles of Shariah.
- v. the earnings that have been realized from the sources or by means prohibited by Shariah have been credited to charity accounts

In my opinion, the operations of Trust Modaraba are in conformity with the Shariah Compliance and Audit Mechanism for Modarabas.

Dated: February 20, 2014

Mufti Zubair Usmani  
Shariah Advisor



## AUDITOR'S REPORT TO THE CERTIFICATE HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim balance sheet of Trust Modaraba (the Modaraba) as at December 31, 2013 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 months period then ended (here in after referred to as the "interim financial information"). Management Company [Al-Zamin Modaraba Management (Private) Limited] 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, 2013 and December 31, 2012 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2013.

### 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 as of and for the six months ended December 31, 2013 is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

### Emphasis of matter

We draw attention to the matter stated in note 8.2.3 the ultimate outcome of which cannot presently be determined and hence, no provision that may result therefrom has been made in the interim financial information. Our conclusion is not qualified in respect of this matter.

**M. Yousaf Adil Saleem & Company**  
**Chartered Accountants**

Engagement Partner: Talat Javed

Lahore  
Dated: February 24, 2014

**CONDENSED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2013**



Trust Modaraba

	Note	(Un-audited) December 31 2013 Rupees	(Audited) June 30 2013 Rupees
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	4	5,037,468	3,412,266
Short term investments	5	532,291	34,040
Advances, deposits, prepayments and other receivables		8,220,962	18,667,244
Short term murabaha finances		67,858,660	62,840,060
Current portion of long term murabaha finances		61,246,905	59,524,001
Ijara rental receivable		21,771,812	18,777,698
Short term diminishing musharakah finances		11,080,042	14,892,542
Current portion of long term diminishing musharakah finances		892,704	553,263
Accrued profit		3,792,739	3,963,832
Tax refunds due from government		1,859,452	1,545,766
Stock in trade	6	7,191,470	100,000
<b>Total current assets</b>		<b>189,484,505</b>	<b>184,310,712</b>
<b>Non-current assets</b>			
Long term murabaha finances		34,377,188	29,595,217
Long term diminishing musharakah finances		1,406,256	1,087,504
Long term deposits		1,358,462	1,303,962
Long term investments	7	7,428,930	8,535,001
Fixed assets	8	175,958,843	203,684,965
<b>Total non-current assets</b>		<b>220,529,679</b>	<b>244,206,649</b>
<b>TOTAL ASSETS</b>		<b>410,014,184</b>	<b>428,517,361</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current portion of customers' security deposits		38,695,698	34,943,535
Creditors, accrued and other liabilities		22,949,364	24,682,082
<b>Total current liabilities</b>		<b>61,645,062</b>	<b>59,625,617</b>
<b>Non-current liabilities</b>			
Deferred income on murabaha		5,315,906	4,933,567
Customers' security deposits		47,918,013	59,444,140
<b>Total Liabilities</b>		<b>114,878,981</b>	<b>124,003,324</b>
<b>NET ASSETS</b>		<b>295,135,203</b>	<b>304,514,037</b>
<b>REPRESENTED BY</b>			
<b>CAPITAL AND RESERVES</b>			
Certificate capital		298,000,000	298,000,000
Reserves		(2,864,797)	6,514,037
		<b>295,135,203</b>	<b>304,514,037</b>

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



Trust Modaraba

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013**

		Six months ended		Three months ended	
		December 31	December 31	December 31	December 31
		2013	2012	2013	2012
	Note	Rupees			
Operating income					
Income from leasing (Ijarah) operations		38,821,708	35,240,299	19,908,707	18,251,478
Profit on murabaha finances		6,546,048	5,481,052	3,212,537	3,072,111
Profit on musharakah finances		2,381,180	1,461,597	1,367,719	636,141
Dividend income on equity investments		60,000	2,500	-	-
Profit on long term investment - available for sale		402,782	509,111	202,144	231,156
Profit on sale of short term investment					
- held for trading		116,221	731,855	80,288	225,729
Profit on sale of long term investment					
- available for sale		462,429	324,260	291,818	262,087
Other income	10	1,624,945	1,415,228	869,370	725,905
		50,415,313	45,165,902	25,932,583	23,404,607
Reversal of provision against non performing murabaha finances and other receivable		-	401,000	-	-
Reversal / (impairment)		-	360,108	(483,029)	71,086
- available for sale investment		50,415,313	45,927,010	25,449,554	23,475,693
Depreciation on fixed assets given on lease / ijarah		27,473,544	25,935,020	13,330,086	13,281,494
Administrative expenses		13,802,781	9,826,712	8,074,893	5,318,164
Other charges		66,511	118,000	66,511	118,000
		(41,342,836)	(35,879,732)	(21,471,490)	(18,717,658)
		9,072,477	10,047,278	3,978,064	4,758,035
Modaraba management company's fee		(907,248)	(1,004,728)	(397,806)	(475,804)
Profit before taxation		8,165,229	9,042,550	3,580,258	4,282,231
Taxation	11	-	-	-	-
Profit after taxation		8,165,229	9,042,550	3,580,258	4,282,231
Earnings per certificate - basic and diluted	12	0.27	0.30	0.12	0.14

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 ENDED DECEMBER 31, 2013**



Trust Modaraba

	Six months ended		Three months ended	
	December 31	December 31	December 31	December 31
	2013	2012	2013	2012
	----- Rupees -----			
Profit for the period	8,165,229	9,042,550	3,580,258	4,282,231
<b>Other comprehensive Income</b>				
Net change in fair value of - available for sale investments	347,107	609,904	149,033	(276,289)
Net change in fair value of available for sale investments reclassified to profit and loss account	(11,170)	-	-	-
	335,937	609,904	149,033	(276,289)
<b>Total comprehensive income</b>	<b>8,501,166</b>	<b>9,652,454</b>	<b>3,729,291</b>	<b>4,005,942</b>

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 (UN-AUDITED)**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2013**

	Six months ended		Three months ended	
	December 31	December 31	December 31	December 31
	2013	2012	2013	2012
	Rupees			
NET CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	8,165,229	9,042,550	3,580,258	4,282,231
Adjustment for:				
Depreciation	28,065,238	26,444,656	13,659,023	13,537,224
Surplus on revaluation of available for sale investment	335,937	-	149,033	-
Gain on sale of investment	(462,429)	(324,260)	(462,429)	(190,173)
Gain on disposal of fixed assets	(1,109,969)	(515,739)	(469,872)	(208,362)
Unrealized loss on revaluation of				
Profit on sale of short term investment	(116,221)	(731,855)	(116,221)	(225,729)
Dividend income	(60,000)	(2,500)	-	-
Profit before working capital change	34,817,785	33,912,852	16,339,792	17,195,191
Changes in working capital:				
(Increase) / decrease in current assets				
Short term investments	(382,030)	1,886,457	425,402	924,715
Advances, deposits, prepayments and other receivables	10,446,282	(752,658)	11,931,942	593,926
Accrued Profit	171,093	(212,550)	171,093	234,705
Short term murabaha finances	(6,741,504)	13,768,889	176,479	12,356,850
Long term murabaha finances	(4,781,971)	(15,976,574)	125,180	(15,458,785)
Ijarah rental receivables	(2,994,114)	(1,591,796)	(2,994,114)	(516,492)
Short term diminishing musharakah finances	3,473,059	1,999,107	5,160,543	1,386,591
Long term diminishing musharakah finances	(318,752)	481,167	(473,627)	215,122
Stock in trade	(7,091,470)	(7,101,020)	(6,991,470)	(7,101,020)
	(8,219,407)	(7,498,978)	7,531,428	(7,364,387)
Increase / (decrease) in current liabilities:				
Creditors accrued and other liabilities	(2,674,239)	(1,877,449)	(3,147,805)	90,599
Customers' security deposits	(7,773,964)	3,047,874	(2,106,407)	(11,655,901)
	(10,448,203)	1,170,425	(5,254,212)	(11,565,302)
Cash generated from operations	16,150,175	27,584,299	18,617,008	(1,734,498)
Taxes paid	(313,686)	(9,691)	(313,686)	(6,202)
Dividend paid	(16,556,140)	-	(16,556,140)	-
Net cash flow (used in) / from operating activities	(719,651)	27,574,608	1,747,182	(1,740,700)
NET CASH FLOWS FROM INVESTING ACTIVITIES				
Fixed capital expenditure				
(including assets given on ijarah)	(22,238,071)	(64,644,369)	(10,230,570)	(12,087,269)
Sale proceeds of fixed assets on ijarah	23,008,921	24,201,737	10,328,746	16,568,686
Sale of Investments - net	1,568,503	858,961	1,288,256	1,071,623
Long term deposits paid during the period	(54,500)	(2,500)	(54,500)	(2,500)
Dividend received	60,000	2,500	-	-
Net cash flow from / (used in) investing activities	2,344,853	(39,583,671)	1,331,932	5,550,540
Net (decrease) / increase in the cash and cash equivalents	1,625,202	(12,009,063)	3,079,114	3,809,840
Cash and cash equivalents at beginning of the period	3,412,266	24,538,761	1,958,354	8,719,858
Cash and cash equivalents at end of the period	5,037,468	12,529,698	5,037,468	12,529,698

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 ENDED DECEMBER 31, 2013**

	Certificate capital	Capital reserve	Revenue reserves		Total reserves	Total equity
		Statutory reserve	Unrealized gain/(loss) on revaluation of investments	Accumulated loss		
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 six months ended December 31, 2012	-	-	609,904	9,042,550	9,652,454	9,652,454
Balance at December 31, 2012	298,000,000	61,161,526	(1,972,968)	(66,888,366)	(7,699,808)	290,300,192
Balance as at July 01, 2013	298,000,000	65,767,979	(1,748,838)	(57,505,104)	6,514,037	304,514,037
Profit for the period	-	-	-	8,165,229	8,165,229	8,165,229
Net change in fair value of - available for sale investments	-	-	(11,170)	-	(11,170)	(11,170)
Net change in fair value of available for sale investments reclassified to profit and loss account	-	-	347,107	-	347,107	347,107
Total comprehensive income for the six months ended December 31, 2013	-	-	335,937	8,165,229	8,501,166	8,501,166
Final dividend for the year ended June 30, 2013 @ Rs. 0.6 per certificate	-	-	-	(17,880,000)	(17,880,000)	(17,880,000)
Balance as at December 31, 2013	298,000,000	65,767,979	(1,412,901)	(67,219,875)	(2,864,797)	295,135,203

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**DIRECTOR**



## SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Trust Modaraba (the Modaraba) was formed under the Modaraba Companies and Modarabas (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 2009, 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 Murabahah, Musharakah, leasing (Ijarah), 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

This condensed interim financial information is un-audited and are being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981 and has been prepared in accordance with requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting". This should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2013.

### 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, 2013 except as follows;

#### Change in accounting policies

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gains on hedges of net investments, exchange differences on translation of foreign operations, net movements on cash flow hedges and net losses or gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). Income tax on items of other comprehensive income is required to be allocated on the same basis i.e. the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments require retrospective application.

### 4. CASH AND BANK BALANCES

Cash in hand	55,723	22,133
Cash at banks		
- Current accounts	560,242	391,747
- Saving accounts	4,421,503	2,998,386
	4,981,745	3,390,133
	5,037,468	3,412,266

**SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013



Trust Modaraba

		(Un-audited) December 31 2013 Rupees	(Audited) June 30 2013 Rupees
<b>5. SHORT TERM INVESTMENTS</b>			
Financial assets at fair value through profit and loss - held for trading			
Shares of listed companies - at cost		598,802	23,960
Less: Unrealized (loss) / gain on revaluation of held for trading investments		(66,511)	10,080
		<u>532,291</u>	<u>34,040</u>
<b>6. STOCK IN TRADE</b>			
This represents goods purchased for trading purposes.		7,191,470	100,000
<b>7. LONG TERM INVESTMENTS</b>			
Available for sale			
Equity securities - Listed		918,150	1,696,630
Sukuk certificates - Listed		7,156,750	8,031,750
		<u>8,074,900</u>	<u>9,728,380</u>
Provision for diminution in value of investments (impairment)		(302,087)	(503,479)
		<u>7,772,813</u>	<u>9,224,901</u>
Unrealized loss on revaluation of investments		(343,883)	(689,900)
Net investment at fair value		<u>7,428,930</u>	<u>8,535,001</u>
<b>8. FIXED ASSETS</b>			
Operating fixed assets given on lease / ijarah	8.1	161,805,907	189,465,903
Operating fixed assets in own use	8.2	14,152,936	14,219,062
		<u>175,958,843</u>	<u>203,684,965</u>
<b>8.1 Operating fixed assets given on lease / ijarah</b>			
Opening book value		189,465,903	161,924,663
Add: additions during the period / year	8.1.1	21,712,500	131,679,000
		<u>211,178,403</u>	<u>293,603,663</u>
Less: disposals during the period / year			
Plant and equipments		7,578,000	123,654,900
Vehicles		31,866,200	42,836,460
Furniture and fixtures		-	397,000
Accumulated depreciation		<u>(17,545,248)</u>	<u>(117,004,875)</u>
		<u>21,898,952</u>	<u>49,883,485</u>
		<u>189,279,451</u>	<u>243,720,178</u>
Less: depreciation charged during the period / year		(27,473,544)	(54,254,275)
Book value at end of the period / year		<u>161,805,907</u>	<u>189,465,903</u>
<b>8.1.1 Additions during the period / year</b>			
Plant and equipments		5,620,000	26,520,000
Vehicles		16,092,500	104,974,000
Furniture and fixtures		-	185,000
		<u>21,712,500</u>	<u>131,679,000</u>

**SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

		(Un-audited) December 31 2013 Rupees	(Audited) June 30 2013 Rupees
<b>8.2</b>	<b>Operating fixed assets in own use</b>		
	Opening book value	14,219,062	14,834,882
	Add: additions during the period / year	526,084	488,156
	Less: disposed off during the period / year	-	76,757
	Less: depreciation charged during the period / year	592,210	1,027,219
	Book value at end of the period / year	<u>14,152,936</u>	<u>14,219,062</u>
<b>8.2.1</b>	<b>Additions during the period / year</b>		
	Office equipments	226,084	358,083
	Electrical equipments	-	130,073
	Computer software	300,000	-
		<u>526,084</u>	<u>488,156</u>
<b>8.2.2</b>	<b>Book value at end of the period / year</b>		
	Land	11,106,200	11,106,200
	Furniture and fixtures	634,801	706,921
	Office equipments	1,031,480	909,400
	Vehicles	62,018	208,297
	Lease hold improvements	209,190	279,190
	Electrical equipments	488,394	529,883
	Computer software	620,854	479,171
		<u>14,152,936</u>	<u>14,219,062</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**

**9.1 Contingencies**

There is no known commitment as at December 31, 2013.

**9.2 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, 2013 are as follows:

**SELECTED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013



Trust Modaraba

	(Un-audited) December 31 2013 Rupees	(Audited) June 30 2013 Rupees
Within one year	1,618,388	1,861,548
After one year but not more than five years	1,344,992	2,032,606
	<u>2,963,380</u>	<u>3,894,154</u>

(Un-audited)			
Six months ended December 31 2013		Three months ended December 31 2013	
December 31 2012		December 31 2012	
Rupees			

**10. OTHER INCOME**

Processing, documentation, other fees and charges	384,212	392,066	301,708	216,000
Gain on disposal of fixed assets	1,109,969	515,739	469,872	309,859
Miscellaneous income	130,764	507,423	97,790	200,046
	<u>1,624,945</u>	<u>1,415,228</u>	<u>869,370</u>	<u>725,905</u>

**11. TAXATION**

No provision with respect to current and deferred taxation has been made in these accounts on the premise that under the current tax law the income of non-trading Modarabas 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.

(Un-audited)			
Six months ended December 31 2013		Three months ended December 31 2013	
December 31 2012		December 31 2012	
Rupees			

**12. EARNINGS PER CERTIFICATE - BASIC & DILUTED**

Profit for the period	Rupees	8,165,229	9,042,550	3,580,258	4,282,231
Weighted average number of certificates	Number	29,800,000	29,800,000	29,800,000	29,800,000
Earnings per certificate	Rupees	0.27	0.30	0.12	0.14

**13. DATE OF AUTHORIZATION**

These financial statements were approved for issue on by the Board of Directors of the Management Company in their meeting held on February 24<sup>th</sup>, 2014.

**14. GENERAL**

- 14.1 Corresponding figures have been rearranged, where necessary, for the 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

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