

HALF YEARLY REPORT
December 31, 2015

Ijarah

Murabaha

Musharaka

Equities

Trading



Trust Modaraba

Managed By:

Al-Zamin 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	Secretary Audit Committee

Internal Auditors

M/s Feroz 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



DIRECTORS' REPORT

The Directors of Al-Zamin Modaraba Management (Private) Limited take pleasure in presenting the financial statements of Trust Modaraba for the half year ended December 31st, 2015 duly reviewed by the external auditors in compliance of Corporate Governance.

ECONOMY REVIEW

Due to the security situation in the country and low fixed investment, micro economic fundamentals remained fragile during the period under review. Progress has been slow on critical reforms in energy generation and distribution, privatization and/or restructuring of loss making public sector enterprises costing of country Rs.600 billion per annum, widening of tax and improvement in tax administration. GDP growth has been anticipated to accelerate to 5% in 2016 driven by low import cost, enhanced household income, benign interest rates outlook and expected progress on CPAC related developments ventures.

PERFORMANCE REVIEW

During the period under review, your Modaraba has recorded total income at Rs.41.467 million, contributed mainly by Ijarah and Murabaha portfolio. The Modaraba has earned a profit of Rs.5.886 million for the half year ended 31st December 2015 before management fee as compared to Rs.9.207 million of the previous comparable period which included Rs.2.88 million on account of reversal of provision. Assets based of the Modaraba stood at Rs.387.134 million with equity of Rs.302.691 as at 31st December 2015.

EARNING PER CERTIFICATE

Earning per certificate of your Modaraba is Rs.0.18 per certificate for the quarter ended 31st December, 2015 as compared to Rs.0.28 Per certificate in the corresponding period last year.

FUTURE OUTLOOK

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

For & on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Basheer A. Chowdry', written over a white rectangular background.

Basheer A. Chowdry
Chief Executive

24th February 2016.

I have conducted Shariah Review of Trust Modaraba managed by Al-Zamin Modaraba Management (Private) Limited for the half year ended 31st December, 2015 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. Following were the major developments that took place during the year:
 - a) Research and new product developments.
Adopted new inducted Shariah Compliance and Shariah Audit Mechanism.
 - b) Followed Model Islamic Financing Agreements approved by Religious Board.
- iii. the agreements entered into by the Modaraba 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.
- 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 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.
- v. profit sharing ratios, profits and charging of losses (if any) relating to any deposit raising product conform to the basis and principles of Shariah.
- vi. No earnings have been realized by any means prohibited by Shariah.

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

Dated: February 24th, 2016

Mufti Zubair Usmani
Shariah Advisor.



Introduction

We have reviewed the accompanying condensed interim balance sheet of Trust Modaraba (the Modaraba) as at December 31st, 2015, 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 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 31st, 2015 and December 31st, 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31st, 2015.

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 31st, 2015 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 9.2.3 to the condensed interim financial information, 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.

Chartered Accountants

Engagement Partner: Rana M Usman Khan

Dated: February 24th, 2016
Lahore

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2015



		<i>(Un-audited)</i> December 31 2015 Rupees	<i>(Audited)</i> June 30 2015 Rupees
ASSETS			
Current assets			
Cash and bank balances	4	5,831,334	827,212
Short term investments	5	11,554,389	5,945,191
Advances, deposits, prepayments and other receivables	6	25,422,169	35,534,063
Short term murabaha finances		51,647,094	50,726,084
Current portion of long term murabaha finances		79,154,632	73,519,602
Ijara rental receivable		21,100,122	21,457,799
Short term diminishing musharakah finances		7,869,089	4,302,110
Current portion of long term diminishing musharakah		1,067,155	1,176,219
Accrued profit		1,802,387	2,165,534
Tax refunds due from government		3,153,826	3,008,734
Stock in trade	7	2,796,592	6,663,708
Total current assets		211,398,789	205,326,256
Asset classified as held for sale		-	2,100,000
Non-current assets			
Long term murabaha finances		28,504,184	31,306,148
Long term diminishing musharakah finances		1,071,991	1,123,536
Long term deposits		1,601,740	1,780,740
Long term investments	8	5,875,500	6,314,040
Fixed assets	9	138,682,126	163,491,407
Total non-current assets		175,735,541	204,015,871
TOTAL ASSETS		387,134,330	411,442,127
LIABILITIES			
Current liabilities			
Current portion of customers' security deposits		25,541,825	22,031,755
Creditors, accrued and other liabilities	10	22,053,496	24,960,466
Total current liabilities		47,595,321	46,992,221
Non-current liabilities			
Deferred income on murabaha		4,508,422	4,848,493
Customers' security deposits		32,339,187	49,542,440
Total non-current Liabilities		36,847,609	54,390,933
Total Liabilities		84,442,930	101,383,154
NET ASSETS		302,691,400	310,058,973
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital		298,000,000	298,000,000
Reserves		4,691,400	12,058,973
		302,691,400	310,058,973

Contingencies and Commitments

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The annexed notes from 1 to 19 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 ENDED DECEMBER 31, 2015



Trust Modaraba

Note	Six months ended		Three months ended	
	December 31 2015	December 31 2014	December 31 2015	December 31 2014
----- Rupees -----				
Operating income				
Income from leasing (Ijarah) operations	30,674,822	32,787,819	14,437,124	16,600,246
Profit on murabaha finances	6,721,143	6,917,765	3,341,047	3,412,896
Profit on musharakah finances	718,828	1,546,865	357,741	424,887
Dividend income on equity investments	78,494	31,000	36,750	11,000
Profit on long term investment - available for sale	-	297,170	-	117,118
Profit on sale of short term investment - held for trading	1,164,992	356,097	836,862	313,739
Profit on sale of long term investment - available for sale	10,601	-	10,601	-
Trading Income	189,930	1,198,202	101,242	947,462
Other income	1,908,116	620,590	626,895	462,913
	41,466,926	43,755,508	19,748,262	22,290,261
Reversal of provision against non performing murabaha finances and other receivable Reversal / (Impairment)	-	2,886,693	(82,830)	2,886,693
- Held for trading investment	-	(460,927)	-	(397,124)
	41,466,926	46,181,274	19,665,432	24,779,830
Depreciation on fixed assets given on lease / ijarah	20,468,249	23,431,112	9,723,099	11,998,322
Administrative expenses	14,097,721	13,542,396	7,614,869	6,997,601
Other charges	1,014,926	-	102,642	-
	(35,580,896)	(36,973,508)	(17,440,610)	(18,995,923)
	5,886,030	9,207,766	2,224,822	5,783,907
Modaraba management company's fee	(588,603)	(920,777)	(222,482)	(578,391)
Profit before taxation	5,297,427	8,286,989	2,002,340	5,205,516
Taxation	-	-	-	-
Profit after taxation	5,297,427	8,286,989	2,002,340	5,205,516
Earnings per certificate - basic and diluted	0.18	0.28	0.07	0.17

The annexed notes from 1 to 19 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, 2015**



Trust Modaraba

	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>December 31</i>	<i>December 31</i>	<i>December 31</i>	<i>December 31</i>
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	----- Rupees -----			
Profit for the period	5,297,427	8,286,989	2,002,340	5,205,516
<i>Other comprehensive Income</i>				
Net change in fair value of - available for sale investments	-	-	-	-
Net change in fair value of available for sale investments reclassified to profit & loss account	-	-	-	-
	-	-	-	-
<i>Total comprehensive income</i>	<u>5,297,427</u>	<u>8,286,989</u>	<u>2,002,340</u>	<u>5,205,516</u>

The annexed notes from 1 to 19 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, 2015**



Trust Modaraba

	Six months ended		Three months ended	
	December 31 2015	December 31 2014	December 31 2015	December 31 2014
	----- Rupees -----			
NET CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	5,297,427	8,286,989	2,002,340	5,205,516
Adjustment for:				
Depreciation	20,742,599	23,930,101	9,859,671	12,250,174
Gain on disposal of fixed assets	(1,173,888)	(381,516)	(319,462)	(355,011)
Profit on sale of short term investment	(1,164,992)	(356,097)	(1,164,992)	(356,097)
Profit on sale of long term investment	(10,601)	-	(10,601)	-
Dividend income	(78,494)	(31,000)	(36,750)	(11,000)
Profit before working capital change	23,612,051	31,448,477	10,330,206	16,733,582
Changes in working capital:				
(Increase) / decrease in current assets				
Short term investments	(5,609,197)	(1,642,625)	(6,280,950)	(1,039,641)
Advances, deposits, prepayments and other receivables	10,111,894	(15,154,577)	9,597,336	(12,886,371)
Accrued Profit	363,145	1,068,426	363,145	1,068,426
Short term murabaha finances	(6,556,040)	1,920,804	(3,637,541)	6,002,752
Long term murabaha finances	2,801,964	15,152,506	(1,954,501)	6,804,107
Ijarah rental receivables	357,678	(1,658,301)	895,727	223,155
Short term musharakah finances	(3,566,979)	9,298,315	(3,880,264)	5,389,954
Long term musharakah finances	160,609	24,194	348,439	369,936
Stock in trade	3,867,116	(4,838,766)	2,399,616	(5,363,899)
	1,930,190	4,169,976	(2,148,993)	568,419
Increase / (decrease) in current liabilities:				
Creditors, accrued and other liabilities	(3,247,041)	(3,294,793)	(1,699,745)	(653,164)
Customers' security deposits	(13,693,183)	(12,188,500)	-	(13,455,500)
	(16,940,224)	(15,483,293)	(251,178)	(14,108,664)
Cash generated from operations	8,602,017	20,135,160	7,930,035	3,193,337
Taxes paid	(145,092)	(74,019)	(20,638)	(35,904)
Dividend paid	(12,665,000)	(14,900,000)	(12,665,000)	(14,900,000)
Net cash (used in) / from operating activities	(4,208,075)	5,161,141	(4,755,603)	(11,742,567)
NET CASH FLOWS FROM INVESTING ACTIVITIES				
Fixed capital expenditure (including assets given on ijarah)	(38,207,870)	(27,601,217)	(19,361,673)	(6,041,071)
Sale proceeds of fixed assets on ijarah	33,017,440	21,208,462	7,413,064	16,799,333
Advance to Supplier	10,431,000	-	1,676,000	-
Sale of Investments - net	1,614,133	699,847	4,255,781	356,097
Expenditure on held for sale assets	2,100,000	-	-	-
Long term deposits paid during the period	179,000	322,322	179,000	240,317
Dividend received	78,494	31,000	36,750	11,000
Net cash generated from / (used in) investing activities	9,212,197	(5,339,586)	(6,966,070)	11,365,676
Net (decrease) / increase in the cash & cash equivalents	5,004,122	(178,445)	(10,556,678)	(376,891)
Cash and cash equivalents at beginning of the period	827,212	2,419,130	16,388,012	2,617,577
Cash and cash equivalents at end of the period	5,831,334	2,240,685	5,831,334	2,240,686

The annexed notes from 1 to 18 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, 2015

	Certificate capital	Capital reserve		Revenue reserves		Total reserves	Total equity
		Statutory reserve	Unrealized gain/(loss) on revaluation of investments	Unrealized gain/(loss) on revaluation of investments	Accumulated loss		
Balance as at July 01, 2014	298,000,000	69,813,812	(1,928,891)	(59,201,774)	8,683,147	306,683,147	
Profit for the period	-	-	-	-	8,286,989	8,286,989	
Other comprehensive income	-	-	-	-	-	-	
Total comprehensive income for the six months ended December 31, 2014	-	-	-	-	8,286,989	8,286,989	
Final dividend for the year ended June 30, 2014 @ Rs. 0.5 per certificate	-	-	-	-	8,286,989	8,286,989	
Balance as at December 31, 2014	298,000,000	69,813,812	(1,928,891)	(65,814,785)	2,070,136	300,070,136	
Balance as at July 01, 2015	298,000,000	73,294,987	(1,058,938)	(60,177,076)	12,058,973	310,058,973	
Profit for the period	-	-	-	-	5,297,427	5,297,427	
Other comprehensive income	-	-	-	-	-	-	
Total comprehensive income for the six months ended December 31, 2015	-	-	-	-	5,297,427	5,297,427	
Final dividend for the year ended June 30, 2015 @ 0.425 per certificate	-	-	-	-	(12,665,000)	(12,665,000)	
Balance as at December 31, 2015	298,000,000	73,294,987	(1,058,938)	(67,544,649)	4,691,400	302,691,400	

The annexed notes from 1 to 19 form an integral part of this interim condensed financial information.



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



1. LEGAL STATUS AND NATURE OF BUSINESS

Trust Modaraba was formed in Pakistan under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and being managed by Al-Zamin Modaraba Management (Private) Limited (AZMML). The Modaraba is perpetual, multi-purpose and multi-dimensional, engaged in the business of Murabahas, Musharakahs, Leasing (Ijarah), investment in marketable securities, tradings and other permissible businesses. The Modaraba commenced its business operations from November 12, 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

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 30th, 2015.

The comparative balance sheet presented in this condensed interim financial information as at December 31st, 2015 has been extracted from the audited financial statements of Trust Modaraba for the year ended June 30th, 2015, whereas the comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity have been extracted from the condensed interim financial information for the period ended December 31st, 2014.

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 30th, 2015, except as disclosed in hereunder.

- 3.1** Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1st, 2015, which do not have any impact on these condensed interim financial information except for IFRS 13 "Fair Value Measurement"

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. However, it does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial instruments and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The application of this standard does not have an impact on this condensed interim financial information except certain additional disclosures as given in note 15.

4. CASH AND BANK BALANCES

	(Un-audited) Note December 31 2015 Rupees	(Audited) June 30 2015 Rupees
Cash in hand	77,342	36,314
Cash at banks		
- Current accounts	344,896	280,940
- Saving accounts	2,409,096	509,958
	2,753,992	790,898
- Modaraba Monthly Certificate	3,000,000	-
	<u>5,831,334</u>	<u>827,212</u>

	Note	(Un-audited) December 31 2015 Rupees	(Audited) June 30 2015 Rupees
5. SHORT TERM INVESTMENTS			
<i>Financial assets at fair value through profit and loss - held for trading</i>			
NIT Islamic Unit Fund		2,000,000	2,000,000
Shares of listed companies - at cost	5.1	10,783,347	4,159,223
Less: Unrealized loss on revaluation of held for trading investments		(1,228,958)	(214,032)
		11,554,389	5,945,191

December 31, 2015		June 30, 2015	
Average	Market	Average	Market
-----Rupees-----			

5.1 Shares of listed companies

	December 31, 2015 Average	December 31, 2015 Market	June 30, 2015 Average	June 30, 2015 Market
Pakistan Telecommunication Company Ltd. 45,000 (June 2015 : 25,000) ordinary shares of Rupees 10 each fully paid	1,099,404	742,050	720,736	512,500
Mari Petroleum Company Ltd. Nil (June 2015 : 5,000) ordinary shares of Rupees 10 each fully paid	-	-	2,352,917	2,343,000
Honda Atlas Cars (Pakistan) Ltd. 2000 (June 2015 : 1000) ordinary shares of Rupees 10 each fully paid	490,207	477,880	227,993	218,680
Treet Corporation Ltd. 5,000 (June 2015 : 1,500) ordinary shares of Rupees 10 each fully paid	352,826	314,800	117,846	108,225
K Electric Ltd. 15,000 (June 2015 : 10,000) ordinary shares of Rupees 10 each fully paid	125,754	111,600	89,037	84,200
DG Khan Cement Company Ltd. Nil (June 2015 : 500) ordinary shares of Rupees 10 each fully paid	-	-	66,244	71,386
Fauji Fertilizer Bin Qasim Ltd. 12,500 (June 2015 : 10,000) ordinary shares of Rupees 10 each fully paid	725,087	658,500	584,450	553,200
Sui Northern Gas Pipeline Ltd. 20,000 (June 2015 : Nil) ordinary shares of Rupees 10 each fully paid	649,559	480,800	-	-
Pak OilFields Ltd. 3,000 (June 2015 : Nil) ordinary shares of Rupees 10 each fully paid	942,677	804,060	-	-



SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2015

Trust Modaraba

	December 31, 2015		June 30, 2015	
	Avg Cost	M.Value	Avg Cost	M.Value
	-----Rupees-----			
Fauji Fertilize Company 2,000 (June 2015 : Nil) ordinary shares of Rupees 10 each fully paid	247,247	235,960	-	-
Galaxo SmithKline Pakistan Ltd. 1,500 (June 2015 : Nil) ordinary shares of Rupees 10 each fully paid	338,764	330,030	-	-
Pakistan State Oil Ltd. 1,500 (June 2015 : Nil) ordinary shares of Rupees 10 each fully paid	485,097	488,655	-	-
The Searle Company Ltd. 1000 (June 2015 : Nil) ordinary shares of Rupees 10 each fully paid	381,155	395,730	-	-
The Searle Company Ltd. (Right Issue) 50 (June 2015 : Nil) ordinary shares of Rupees 10 each fully paid	-	9,750	-	-
Sui Southern Gas Company Ltd. 25,000 (June 2015 : Nil) ordinary shares of Rupees 10 each fully paid	1,135,470	933,750	-	-
Lucky Cement Ltd. 5,000 (June 2015 : Nil) ordinary shares of Rupees 10 each fully paid	2,603,038	2,475,200	-	-
Lotte Chemical Pakistan Ltd. 15,000 (June 2015 : Nil) ordinary shares of Rupees 10 each fully paid	121,604	97,500	-	-
Engro foods Ltd. 7,000 (June 2015 : Nil) ordinary shares of Rupees 10 each fully paid	1,085,458	1,026,130	-	-
	10,783,347	9,582,395	4,159,223	3,891,191



	(Un-audited) Note December 31 2015 Rupees	(Audited) June 30 2015 Rupees
6. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances to employees against salary - considered good	700,000	139,000
Advance to Employees - operational	-	132,029
Security deposits	4,500	4,500
Prepayments	1,651,871	1,589,808
Due from brokers against sale of shares	1,513,675	583,019
Trade receivables	19,195,619	18,505,321
Receivable from Trust Management Services (Pvt.) Ltd.	1,489,036	1,489,036
Provision for doubtful receivables	<u>(1,489,036)</u>	<u>(1,489,036)</u>
	-	-
Legal suits charges receivable	1,934,973	1,509,973
Provision for doubtful receivables	<u>(833,723)</u>	<u>(833,723)</u>
	1,101,250	676,250
Late payment charges receivable	3,192,155	3,192,155
Suspended income	<u>(3,192,155)</u>	<u>(3,192,155)</u>
	-	-
Sundry receivables	1,677,841	14,326,723
Provision for doubtful sundry receivables	<u>(422,587)</u>	<u>(422,587)</u>
	1,255,254	13,904,136
	<u>25,422,169</u>	<u>35,395,063</u>
7. STOCK IN TRADE		
Peddy Rice	2,580,550	5,108,800
Agro Services (stock pesticides)	216,042	854,908
Others	-	700,000
	<u>2,796,592</u>	<u>6,663,708</u>
7.1 This represents goods purchased for trading purposes.		
8. LONG TERM INVESTMENTS		
<i>Available for sale</i>		
Equity securities	-	438,540
Sukuk certificates	5,875,500	5,875,500
total investment at cost	<u>5,875,500</u>	<u>6,314,040</u>
Unrealized loss on revaluation of investments	-	-
Net investment at fair value	<u>5,875,500</u>	<u>6,314,040</u>
8.1 This represents 2,000 (2015: 2,000) BRR Guardian Modaraba certificates having face value Rs. 10 million carrying profit at one month KIBOR (2015: one month KIBOR). These will mature in December 2016 and are secured against joint ownership of Musharaka assets.		



	(Un-audited) Note December 31 2015 Rupees	(Audited) June 30 2015 Rupees
9. FIXED ASSETS		
Operating fixed assets in own use - Intangible		
Advances to supplier	-	10,431,000
Operating fixed assets given on lease (ijarah)	9.1 125,107,649	139,426,280
Operating fixed assets in own use	9.2 13,574,477	13,634,127
	<u>138,682,126</u>	<u>163,491,407</u>
9.1 Operating fixed assets given on lease / ijarah		
Opening book value	139,426,280	155,457,489
Add: additions during the period / Year	9.1.1 30,914,170	58,031,097
	170,340,450	213,488,586
Less: disposals during the period / Year	-	-
Plant and equipments	16,140,000	22,304,000
Vehicles	42,494,502	40,225,949
Furniture and fixtures	-	185,000
Accumulated depreciation	(33,869,950)	(33,791,918)
	<u>24,764,552</u>	<u>28,923,031</u>
	145,575,898	184,565,555
Less: depreciation during the period	20,468,249	45,139,275
Book value at end of the period	125,107,649	139,426,280
9.1.1 Addition during the period / year		
Plant and equipments	3,925,000	5,137,097
Vehicles	26,641,170	52,894,000
Furniture and fixtures	348,000	-
	<u>30,914,170</u>	<u>58,031,097</u>
9.2 Fixed assets in own use		
Opening book value	13,634,127	13,294,696
Add: additions during the period	9.2.1 7,293,700	926,917
	20,927,827	14,221,613
Less: Disposals during the period / year Vehicles	7,079,000	-
	13,848,827	14,221,613
Less: Depreciation during the period / year	274,350	587,486
Book value at end of the period	13,574,477	13,634,127
9.2.1 Addition during the period / year		
Land		
Furniture and fixtures	-	200,371
Office equipments	35,700	249,200
Vehicles	7,258,000	477,346
	<u>7,293,700</u>	<u>926,917</u>

		<i>(Un-audited)</i>	<i>(Audited)</i>
	<i>Note</i>	<i>December 31</i>	<i>June 30</i>
		<i>2015</i>	<i>2015</i>
		<i>Rupees</i>	<i>Rupees</i>
9.2.2 Book value at the end of period / year			
Land	9.2.3	11,106,200	11,106,200
Furniture and fixtures		604,387	670,368
Office equipments		848,670	922,015
Vehicles		586,384	464,432
Electrical equipments		428,836	471,112
		<u>13,574,477</u>	<u>13,634,127</u>

9.2.3 It includes a piece of land measuring 10 Kanals, costing Rs. 10,728,400 situated at Mauza Amer Sidhu, Lahore Cantt acquired through settlement of certain Murabaha facilities. The subject land is presently in the possession of Defence Housing Authority, Lahore (DHA). The Modaraba has filed legal suit for possession of land in the Civil Court. The management and legal counsel of the Modaraba are confident that Modaraba has valid claim against DHA because title and sale deed is in name of Modaraba and accordingly no loss has been charged against such land.

10. CREDITORS, ACCURED AND OTHER LIABILITIES

Accrued expenses	16,173	95,570
Management fee payable	588,603	1,933,986
Deferred income on murabaha	8,486,882	9,971,677
Security deposit	40,000	40,000
Unclaimed dividends	12,269,309	11,798,787
Other liabilities	652,530	1,120,446
	<u>22,053,496</u>	<u>24,960,466</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no known contingency as at December 31, 2015

11.2 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, 2015 are as follows:

Within one year	734,412	1,861,548
After one year but not more than five years	320,579	2,032,606
	<u>1,054,991</u>	<u>3,894,154</u>

SELECTED NOTES TO THE FINANCIAL STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2015



Trust Modaraba

----- (Un-audited) -----			
Six months ended		Three months ended	
December 31	December 31	December 31	December 31
2015	2014	2015	2014
----- Rupees -----			

12. OTHER INCOME

Processing, documentation, other fees and charges	173,500	116,000	119,500	38,000
Gain on disposal of fixed assets	1,173,888	381,516	319,462	355,011
Miscellaneous income	560,728	123,074	187,933	69,902
	1,908,116	620,590	626,895	462,913

(Un-audited) December 31 2015 Rupees	(Un-Audited) December 31 2014 Rupees
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13. ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	5,317,380	4,741,212
Legal and professional charges	401,500	155,000
Fees and subscription	1,248,856	1,336,145
Electricity, gas and water	448,346	493,015
Telephone, postage and courier	383,103	354,025
Rent, Rate & Taxes	811,199	820,997
Printing and stationery	330,389	334,937
Traveling and conveyance	158,800	151,295
Entertainment	258,246	270,012
Insurance	1,814,557	1,748,770
Advertisement	122,411	65,563
Auditor remuneration	109,800	50,000
Vehicle running and maintenance	1,053,606	999,083
Newspaper & Periodicals	10,680	11,131
Repairs and maintenance	645,533	473,827
Depreciation on own assets	274,350	498,989
Bank charges and commission	13,552	133,793
Miscellaneous	72,000	82,496
Donation	-	41,319
Lease rental expense - vehicle	612,258	772,547
Sales tax	11,155	8,240
	14,097,721	13,542,396

14. 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.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Funds/Company's financial assets which are carried at fair value:

	December 31, 2015			Total
	Level 1	Level 2	Level 3	
	----- Rupees -----			
Fair value through profit or loss	11,554,389	-	-	11,554,389
Financial assets - at fair value				
Available for sale				
- Listed equity securities	-	-	-	-
- Sukuk certificates	5,875,500	-	-	5,875,500
	<u>17,429,889</u>	<u>-</u>	<u>-</u>	<u>17,429,889</u>

	June 30, 2015			Total
	Level 1	Level 2	Level 3	
	----- Rupees -----			
Fair value through profit or loss	5,945,191	-	-	5,945,191
Financial assets - at fair value				
Available for sale				
- Listed equity securities	438,540	-	-	438,540
- Sukuk certificates	5,875,500	-	-	5,875,500
	<u>12,259,231</u>	<u>-</u>	<u>-</u>	<u>12,259,231</u>

The company has not disclosed the fair value of all other financial assets and liabilities as their carrying value approximates their fair value.

(Un-audited)			
Six months ended		Three months ended	
December 31	December 31	December 31	December 31
2015	2014	2015	2014
----- Rupees -----			

15. EARNINGS PER CERTIFICATE - BASIC & DILUTED

Profit for the period	5,297,427	8,286,989	2,002,340	5,205,516
Weighted average number of certificates	29,800,000	29,800,000	29,800,000	29,800,000
Earnings per certificate	0.18	0.28	0.07	0.17



17. REARRANGEMENT

Corresponding figures have been rearranged to reflect more appropriate presentation and transactions for the purposes of comparison. However, no significant rearrangements have been made.

18. 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 24th, February 2016

19. GENERAL

19.1 Corresponding figures have been rearranged, where necessary, for the purpose of comparison. However, no significant reclassification has been made during the period.

19.2 Figures have been rounded off to the nearest rupee.

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CHIEF EXECUTIVE

A handwritten signature in black ink, appearing to be 'K. K.', written over a white rectangular background.

DIRECTOR

A handwritten signature in blue ink, appearing to be 'K. K.', written over a white rectangular background.

DIRECTOR

BOOK POST

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